

10585. Also, Senate Joint Memorial No. 2, Montana's Twenty-third Legislative Assembly, urging the prompt enactment of legislation for the rehabilitation of the farm industry through the adoption of some form of the domestic allotment plan, the refinancing of farm mortgages, and such other measures as may be found necessary to place the farm industry upon approximately the same footing as other great industries of the United States; to the Committee on Agriculture.

10586. By Mr. HOOPER: Petition of citizens of Augusta, Mich., urging favorable action on the stop-alien-representation amendment; to the Committee on Immigration and Naturalization.

10587. By Mr. LAMNECK: Petition of the Woman's Home Missionary Society of Broad Street Methodist Episcopal Church, Columbus, Ohio, petitioning Congress to establish a Federal motion-picture commission and to enact Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10588. Also, petition of the Columbus Motion Picture Council, Columbus, Ohio, urging the establishment of a Federal motion-picture commission and the early enactment of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10589. By Mr. LEAVITT: Memorial of the Montana State Legislature, memorializing the Congress of the United States for a more lenient settlement of the 1932 Federal seed loans; to the Committee on Agriculture.

10590. Also, petition of the Montana State Legislature to the Congress of the United States, urging the prompt enactment of legislation for the rehabilitation of the farm industry through the adoption of some form of the domestic allotment plan, the refinancing of farm mortgages, and such other measures as may be found necessary to place the farm industry on approximately the same footing as other great industries of the United States; to the Committee on Agriculture.

10591. Also, petition of the Montana State Legislature, memorializing the Congress of the United States for a grant of land for the use and benefit of the Northern Montana Agricultural and Manual Training School; to the Committee on the Public Lands.

10592. By Mr. LINDSAY: Petition of Valdemar A. Miller, fourth appointed member of the Colonial Council of St. Thomas and St. John, Virgin Islands, urging that the administration of the islands be returned to the Navy Department; to the Committee on Insular Affairs.

10593. Also, petition of central planning and estimating section committee of the United States navy yard at New York, urging support of the Lankford provision in the appropriate section of the Navy supply bill; to the Committee on Appropriations.

10594. By Mr. MILLARD: Resolution adopted by the board of trustees of the village of Pleasantville, N. Y., protesting against the tax on State and municipality utilities; to the Committee on Ways and Means.

10595. By Mr. SMITH of West Virginia: Resolution of the Charleston Clearing House Association, of Charleston, W. Va., pertaining to the rate of interest on postal savings; to the Committee on the Post Office and Post Roads.

10596. Also, resolution of the Charleston Clearing House Association, Charleston, W. Va., opposing certain sections of Senate bill 4412, bearing the title "Banking act of 1933"; to the Committee on Banking and Currency.

10597. By Mr. STALKER: Petition of D. R. Morgan, secretary of Munger Class of Hedding Methodist Episcopal Church, Elmira, N. Y., and 70 members, opposing the return of beer and the repeal of the eighteenth amendment; to the Committee on Ways and Means.

10598. By Mr. TARVER: Petition of Cobb County Post, No. 2681, Veterans of Foreign Wars, of Marietta, Ga., urging inflation of the currency and the payment of adjusted-compensation certificates; to the Committee on Ways and Means.

10599. By Mr. YATES: Petition of Millie Thomas, 30 North Seventh Avenue; Dr. V. E. Boyd, 120 North Oak Park Ave-

nue; Ethel Lund, 3117 North Lotus Avenue; and other citizens of Maywood, Ill., urging passage of the Sparks-Capper amendment, House Joint Resolution 97; to the Committee on the Judiciary.

## SENATE

WEDNESDAY, FEBRUARY 22, 1933

(Legislative day of Tuesday, February 21, 1933)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Kean	Schuyler
Austin	Couzens	Kendrick	Sheppard
Bailey	Cutting	King	Shipstead
Bankhead	Dale	La Follette	Shortridge
Barbour	Dickinson	Logan	Smith
Barkley	Dill	Long	Smoot
Bingham	Fess	McGill	Steiwer
Black	Fletcher	McKellar	Stephens
Blaine	Frazier	McNary	Swanson
Borah	George	Metcalf	Thomas, Idaho
Bratton	Glass	Moses	Thomas, Okla.
Brookhart	Glenn	Neely	Townsend
Broussard	Goldsborough	Norbeck	Trammell
Bulkley	Gore	Norris	Tydings
Bulow	Grammer	Nye	Vandenberg
Byrnes	Hale	Oddie	Wagner
Capper	Harrison	Patterson	Walcott
Caraway	Hastings	Pittman	Walsh, Mass.
Carey	Hatfield	Reed	Walsh, Mont.
Clark	Hayden	Reynolds	Watson
Connally	Hebert	Robinson, Ark.	Wheeler
Coolidge	Howell	Robinson, Ind.	White
Copeland	Johnson	Russell	

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present. Under the general order of the Senate the Senator from Illinois [Mr. GLENN] will now read Washington's Farewell Address.

### READING OF WASHINGTON'S FAREWELL ADDRESS

Mr. GLENN read the address, as follows:

*To the people of the United States.*

FRIENDS AND FELLOW-CITIZENS: The period for a new election of a Citizen to administer the Executive Government of the United States, being not far distant, and the time actually arrived, when your thoughts must be employed in designating the person, who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation, which binds a dutiful citizen to his country—and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest, no deficiency of grateful respect for your past kindness; but act under and supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in, the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped, that it would have been much earlier in my power, consistently with motives, which I was not at liberty to disregard, to return to that retirement, from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign Nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty, or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions, with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say, that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious, in the outset, of the inferiority of my qualifications, experience in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and every day the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied, that, if any circumstances have given peculiar value to my services, they were temporary, I have the consolation to believe, that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment, which is intended to terminate the career of my public life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude, which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the Passions agitated in every direction were liable to mislead, amidst appearances sometimes dubious, vicissitudes of fortune often discouraging, in situations in which not unfrequently want of success has countenanced the spirit of criticism, the constancy of your support was the essential prop of the efforts, and a guarantee of the plans by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to the grave, as a strong incitement to unceasing vows that Heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these States, under the auspices of liberty, may be made complete, by so careful a preservation and so prudent a use of this blessing as will acquire to them the glory of recommending it to the applause, the affection, and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments; which are the result of much reflection, of no inconsiderable observation and which appear to me all important to the permanency of your felicity as a People. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsels. Nor can I forget, as an encouragement to it your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The Unity of Government which constitutes you one people, is also now dear to you. It is justly so; for it is a main Pillar in the Edifice of your real independence; the support of your tranquillity at home; your peace abroad; of your safety; of your prosperity in every shape; of that very Lib-

erty, which you so highly prize. But, as it is easy to foresee, that, from different causes, and from different quarters, much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed, it is of infinite moment, that you should properly estimate the immense value of your national Union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the Palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can in any event be abandoned, and indignantly frowning upon the first dawning of every attempt to alienate any portion of our Country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth or choice of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you, in your national capacity, must always exalt the just pride of Patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same Religion, Manners, Habits, and political Principles. You have in a common cause fought and triumphed together. The Independence and Liberty you possess are the work of joint counsels, and joint efforts—of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those, which apply more immediately to your Interest. Here every portion of our country finds the most commanding motives for carefully guarding and preserving the Union of the whole.

The North in an unrestrained intercourse with the South, protected by the equal Laws of a common government, finds in the productions of the latter great additional resources of maritime and commercial enterprise—and precious materials of manufacturing industry. The South in the same intercourse, benefiting by the agency of the North, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the North, it finds its particular navigation invigorated; and, while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength to which itself is unequally adapted. The East, in a like intercourse with the West, already finds, and in the progressive improvement of interior communications, by land and water, will more and more find, a valuable vent for the commodities which it brings from abroad, or manufactures at home. The West derives from the East supplies requisite to its growth and comfort, and what is perhaps of still greater consequence, it must of necessity owe the secure enjoyment of indispensable outlets for its own productions to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest, as one Nation. Any other tenure by which the West can hold this essential advantage, whether derived from its own separate strength, or from an apostate and unnatural connection with any foreign Power, must be intrinsically precarious.

While then every part of our Country thus feels an immediate and particular interest in Union, all the parts combined in the united mass of means and efforts cannot fail to find greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their Peace by foreign Nations; and, what is of inestimable value! they must derive from Union an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries, not tied together by the same government; which their own rivalships alone would be sufficient to produce; but which opposite foreign

alliances, attachments, and intrigues would stimulate and embitter. Hence likewise they will avoid the necessity of those overgrown Military establishments, which under any form of government, are inauspicious to liberty, and which are to be regarded as particularly hostile to Republican Liberty: In this sense it is, that your Union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the Union as a primary object of Patriotic desire. Is there a doubt, whether a common government can embrace so large a sphere? Let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. 'Tis well worth a fair and full experiment. With such powerful and obvious motives to Union, affecting all parts of our country while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those, who in any quarter may endeavor to weaken its bands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by Geographical discriminations—Northern and Southern—Atlantic and Western; whence designing men may endeavor to excite a belief, that there is a real difference of local interests and views. One of the expedients of Party to acquire influence, within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our Western country have lately had a useful lesson on this head. They have seen, in the negotiation by the Executive, and in the unanimous ratification by the Senate, of the treaty with Spain, and in the universal satisfaction at that event, throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the General Government and in the Atlantic States unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two Treaties, that with Great Britain, and that with Spain, which secure to them every thing they could desire in respect to our Foreign Relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the Union by which they were procured? Will they not henceforth be deaf to those advisers, if such there are, who would sever them from their Brethren and connect them with Aliens?

To the efficacy and permanency of your Union, a Government for the whole is indispensable. No alliances however strict between the parts can be an adequate substitute. They must inevitably experience the infractions and interruptions which all alliances in all times have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a Constitution of Government, better calculated than your former for an intimate Union, and for the efficacious management of your common concerns. This government, the offspring of our own choice uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its Laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true Liberty. The basis of our political systems is the right of the people to make and to alter their Constitutions of Government. But the Constitution which at any time exists, 'till changed by an explicit and authen-

tic act of the whole People, is sacredly obligatory upon all. The very idea of the power and the right of the People to establish Government, presupposes the duty of every individual to obey the established Government.

All obstructions to the execution of the Laws, all combinations and associations, under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberation and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency. They serve to organize faction, to give it an artificial and extraordinary force—to put in the place of the delegated will of the Nation, the will of a party; often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill-concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men will be enabled to subvert the Power of the People and to usurp for themselves the reins of Government; destroying afterwards the very engines, which have lifted them to unjust dominion.

Towards the preservation of your Government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular oppositions to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretexts. One method of assault may be to effect, in the forms of the Constitution, alterations which will impair the energy of the system, and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of Governments, as of other human institutions—that experience is the surest standard, by which to test the real tendency of the existing Constitution of a Country—that facility in changes upon the credit of mere hypothesis and opinion exposes to perpetual change, from the endless variety of hypothesis and opinion; and remember, especially, that, for the efficient management of your common interests, in a country so extensive as ours, a Government of as much vigor as is consistent with the perfect security of Liberty is indispensable. Liberty itself will find in such a Government, with powers properly distributed and adjusted, its surest Guardian. It is, indeed, little else than a name, where the Government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of Parties in the State, with particular reference to the founding of them on Geographical discriminations. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the Spirit of Party, generally.

This Spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind. It exists under different shapes in all Governments, more or less stifled, controlled, or repressed; but, in those of the popular form, it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries, which result, gradually incline the minds of men to seek security and repose in the absolute power of an Individual: and sooner or later the chief of some prevailing faction, more able or more

fortunate than his competitors, turns this disposition to the purposes of his own elevation, on the ruins of Public Liberty.

Without looking forward to an extremity of this kind (which nevertheless ought not to be entirely out of sight), the common and continual mischiefs of the spirit of Party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the Public Councils, and enfeeble the Public administration. It agitates the community with ill founded jealousies and false alarms, kindles the animosity of one part against another, foment occasionally riot and insurrection. It opens the doors to foreign influence and corruption, which find a facilitated access to the Government itself through the channels of party passion. Thus the policy and the will of one country, are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the Administration of the Government, and serve to keep alive the Spirit of Liberty. This within certain limits is probably true—and in Governments of a Monarchical cast, Patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in Governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose, and there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched; it demands a uniform vigilance to prevent its bursting into a flame, lest, instead of warming, it should consume.

It is important, likewise, that the habits of thinking in a free country should inspire caution in those entrusted with its administration, to confine themselves within their respective constitutional spheres; avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power, and proneness to abuse it, which predominates in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the Guardian of the Public Weal against invasions by the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If in the opinion of the People, the distribution or modification of the Constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits, which lead to political prosperity, Religion and morality are indispensable supports. In vain would that man claim the tribute of Patriotism, who should labor to subvert these great Pillars of human happiness, these firmest props of the duties of Men and Citizens. The mere Politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths which are the instruments of investigation in Courts of Justice? And let us with caution indulge the supposition, that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure—reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

'T is substantially true, that virtue or morality is a necessary spring of popular government. The rule indeed extends with more or less force to every species of Free Govern-

ment. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it, is to use it as sparingly as possible: avoiding occasions of expense by cultivating peace, but remembering also that timely disbursements to prepare for danger frequently prevent much greater disbursements to repel it—avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of Peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your Representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be Revenue—that to have Revenue there must be taxes—that no taxes can be devised which are not more or less inconvenient and unpleasant—that the intrinsic embarrassment inseparable from the selection of the proper objects (which is always a choice of difficulties) ought to be a decisive motive for a candid construction of the conduct of the Government in making it, and for a spirit of acquiescence in the measures for obtaining Revenue which the public exigencies may at any time dictate.

Observe good faith and justice towards all Nations. Cultivate peace and harmony with all. Religion and Morality enjoin this conduct; and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a People always guided by an exalted justice and benevolence. Who can doubt but that in the course of time and things, the fruits of such a plan would richly repay any temporary advantages, which might be lost by a steady adherence to it? Can it be that Providence has not connected the permanent felicity of a Nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded; and that in place of them just and amicable feeling towards all should be cultivated. The Nation, which indulges towards another an habitual hatred or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable, when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed and bloody contests. The Nation promoted by ill-will and resentment, sometimes impels to War the Government, contrary to the best calculations of policy. The Government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the Nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the Liberty, of Nations, has been the victim.

So likewise a passionate attachment of one Nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducement or justi-

fication: It leads also to concessions to the favorite Nation of privileges denied to others, which is apt doubly to injure the Nation making the concessions; by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill-will, and a disposition to retaliate, in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens (who devote themselves to the favorite Nation) facility to betray, or sacrifice the interests of their own country, without odium, sometimes even with popularity: gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent Patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils! Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, I conjure you to believe me, fellow-citizens, the jealousy of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of republican Government. But that jealousy, to be useful, must be impartial; else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike of another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real Patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign Nations, is, in extending our commercial relations, to have with them as little Political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence therefore it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one People, under an efficient government, the period is not far off, when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon to be scrupulously respected. When belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation when we may choose peace or war, as our interest guided by justice shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

'T is our true policy to steer clear of permanent alliances with any portion of the foreign world; so far, I mean, as we are now at liberty to do it—for let me not be understood as capable of patronizing infidelity to existing engagements (I hold the maxim no less applicable to public than to private affairs, that honesty is always the best policy). I repeat therefore let those engagements be observed in their genuine sense. But in my opinion it is unnecessary and would be unwise to extend them.

Taking care always to keep ourselves, by suitable establishments, on a respectably defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with Powers so disposed—in order to give trade a stable course, to define the rights of our Merchants, and to enable the Government to support them—conventional rules of intercourse, the best that present circumstances and mutual opinion will permit; but temporary, and liable to be from time to time abandoned or varied, as experience and circumstances shall dictate; constantly keeping in view that 't is folly in one nation to look for disinterested favors from another, that it must pay with a portion of its independence for whatever it may accept under that character—that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from Nation to Nation. 'T is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my Countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression, I could wish, that they will control the usual current of the passions, or prevent our Nation from running the course which has hitherto marked the destiny of Nations. But if I may even flatter myself, that they may be productive of some partial benefit; some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare, by which they have been dictated.

How far in the discharge of my official duties, I have been guided by the principles which have been delineated, the public Records and other evidences of my conduct must witness to You and to the world. To myself the assurance of my own conscience is, that I have at least believed myself to be guided by them.

In relation to the still subsisting War in Europe, my Proclamation of the 22d of April 1793 is the index to my plan. Sanctioned by your approving voice and by that of Your representatives in both Houses of Congress, the spirit of that measure has continually governed me: uninfluenced by any attempts to deter or divert me from it.

After deliberate examination with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound in duty and interest, to take a Neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it, with moderation, perseverance, and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe, that, according to my understanding of the matter, that right, so far from being denied by any of the Belligerent Powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without anything more, from the obligation which justice and humanity impose on every Nation, in cases in which it is free to act, to maintain inviolate the relations of Peace and Amity towards other Nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress without interruption to that degree of strength and consistency, which is necessary to give it, humanly speaking, the command of its own fortune.

Though, in reviewing the incidents of my Administration, I am unconscious of intentional error—I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I

fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man, who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat, in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow-citizens, the benign influence of good Laws under a free Government, the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors, and dangers.

GEO. WASHINGTON.

UNITED STATES, September 19th, 1796.

#### TRIBUTE TO GEORGE WASHINGTON

Mr. SHORTRIDGE. Mr. President, all the resources of lofty and loving eloquence have been exhausted in vain attempts to portray the rounded greatness and the genius for war and government of George Washington. Oratory has paid its tribute to his civic virtues. Poetry has laid its immortal wreath upon his brow. Scholarship has sought to sound the depths of his practical wisdom. Patriotism has striven to express its admiration, its gratitude, and its love for the character, the services, and the legacy of George Washington.

His fame increases; it grows with the flight of years. A century and more have come and gone since he closed his eyes in eternal sleep; but he lives—lives in the Government he founded, lives in the principles he enunciated, lives "first in the hearts of his countrymen" that beat with unutterable emotion at the mention of his sacred name.

As military leader, history—the disinterested, the dispassionate judgment of men—has fixed his place. Alexander, Hannibal, Caesar, Napoleon, Wellington—each has his champions, some their idolaters; but, all things considered—the times, the places, the circumstances, the mighty opposing foe, the small resources, difficulties overcome, dangers removed, victory achieved—thus measured, Washington takes his rightful place at the very head of military genius, and there he will remain forever.

I need not dwell on his military life and achievements. Senators know them by heart—from Boston to Yorktown—and I would hasten to consider Washington other than as a soldier. But with our minds fixed for a moment on the tragedy and triumph of battle, there is one continuing fact which patriotism loves to mention, and may be pardoned for mentioning, at any time, on any occasion, and that glorious fact is that the flag of our country, first lifted to heaven by Washington, has been carried in victory from the days of the Revolution to this very hour, never knowing defeat and blessing alike the victor and the vanquished.

Not only in the camp, but elsewhere Washington wrought great deeds and made himself immortal. The battle fought, the victory won, independence acknowledged, the thirteen Colonies recognized as free, then came the greater task and the greater problem—the task of perpetuating liberty under law, the problem of establishing and maintaining constitutional government. Victory was ours, freedom was ours, but the Colonies took their place among the nations of the earth under a form of government which gave promise of neither permanence nor security. It is easier to gain liberty than to maintain it; it is easier to win a battle than to found a state. To use the thoughtful and beautiful words of Charles Sumner—

Gaining liberty is not an end, but a means only; a means of securing justice and happiness, the real end and aim of states, as of every human heart.

The thirteen Colonies were, in fact, one people, and in their international relations one nation. But in other respects, in

an interstate constitutional sense, they were so many separate sovereignties.

The Articles of Confederation—under which the colonists waged successful war when their indignation was aroused, and patriotism ran high, and there was generous rivalry as to which should perform the greatest service, make the greatest sacrifice for the common cause—were soon found to be utterly inadequate in times of peace. The Articles of Confederation were borne of imminent danger and pressing necessity for joint action. They were prepared by a committee of the Continental Congress, then sitting in Philadelphia, and reported to that body on July 12, 1776. Amended and debated and temporarily laid aside, it was not until November 15, 1777, that they were agreed to and thereupon transmitted to the legislatures of the States for ratification. One by one the several "free, sovereign, and independent States" formally ratified these articles, and the cannon in the yard of Independence Hall announced to the world the "glorious compact" on March 1, 1781. It was indeed a glorious compact, and gloriously did our fathers triumph under it.

The treaty of peace with Great Britain was signed at Paris on September 3, 1783. The military duties of Washington were performed. His country was free. In New York on December 4, 1783, he bade farewell to his officers and repaired to Annapolis, where Congress was then sitting, to return his commission as Commander in Chief. This he did on Tuesday, December 23, and in so doing used these memorable words:

Having now finished the work assigned me, I retire from the great theater of action, and bidding an affectionate farewell to this august body, under whose orders I have so long acted, I here offer my commission and take my leave of all the employments of public life.

Washington retired to his home at Mount Vernon—now a shrine to which his countrymen and lovers of liberty make pilgrimage—in the fond expectation of spending the remainder of his days in domestic tranquillity and peace.

War brought liberty; victory was followed by peace; but liberty was not enough; peace was not enough. The condition of the country was deplorable. The Nation had incurred an indebtedness of over forty millions of dollars—a small sum now, a colossal amount then; the several States were largely indebted. Congress could not raise money by way of internal tax or by a tariff on imports; to borrow money was almost impossible, for how could Congress guarantee payment? The Government's credit at home and abroad was ruined. Congress recommended, but could not enforce its recommendations. The States quarreled; controversies over interstate trade sprung up; conflicting laws as to foreign commerce were enacted; and the discouraging and disheartening fact was that Congress confessedly was powerless to remedy these many and increasing evils.

We had assumed international relations but were unable to carry out our international obligations. We were fast forfeiting the respect of the world, as Congress was losing the respect of the people. The very limited delegation of powers to Congress did not include the elemental power of enacting laws of an essentially national character, binding on all the States. The country was drifting, nay more, it was rushing into internecine strife. Were we a Nation? Was the Republic a success?

A few thoughtful, observant men saw and realized and feared all this and were brave and frank enough to express their views. It was at this critical period of our history, when self-government was rapidly falling into discredit and the young Republic was heading toward disaster, that Washington rendered incalculable service to his country and to mankind. From his retirement at Mount Vernon he saw the danger. He saw that the precious fruits of the revolutionary struggle were in peril and that to save and perpetuate them there must be a change in the form of government. The Confederation was called by him a "half-starved, limping government, always moving upon crutches and tottering at every step. It is clear to me as A B C," he said,

"that an extension of Federal powers would make us one of the most happy, wealthy, respectable, and powerful nations that ever inhabited the terrestrial globe. Without this, we shall soon be everything which is the direct reverse."

Other great men shared in these views. Hamilton, Madison, Franklin, Pinckney, Monroe recognized the situation; they saw the distressing condition of affairs and were active in directing and molding public opinion in the direction of a "more perfect Union."

I do not forget or undervalue their great services, but I think it just to say that Washington led in the movement which happily resulted in the formation and ratification of the Constitution under which we have lived a hundred years and more and grown to be what we are and what the Father of his Country predicted we would become—"One of the most happy, wealthy, respectable, and powerful nations that ever inhabited the terrestrial globe."

Of course, we are familiar with the steps taken to reform, recast, reframe the Government. It will be recalled that upon motion of Madison, of Virginia—and it gives me pleasure to digress to say that the State of Virginia has produced many great men, some of whom are Members of the Senate to-day—it was upon the motion of Madison, of Virginia, that the Virginia Assembly passed a resolution calling for a meeting of commissioners from all the States at Annapolis yonder in September, 1786. It will be remembered that this meeting, made up of commissioners of but five of the States, prepared an address urging the necessity and suggesting a method for forming a stronger and better government, for we were then operating under the old Articles of Confederation. Nor will it be forgotten that this historic address was written by Alexander Hamilton.

Public interest was awakened, the work of the Annapolis meeting was laid before the Congress, and that body passed a resolution calling for a convention—note this, Mr. President—"for the sole and express purpose of revising the Articles of Confederation." Such a convention assembled in Philadelphia on the 25th day of May, 1787, and, judged by its work and its effect on liberty under law, it was the most important convention that ever met, as is appreciated by Members of the Senate whose scholarly minds run over the history of the world and recall the various conventions which have met. I emphasize that the Philadelphia convention met to "revise" the Articles of Confederation, to repair a falling structure; but, with a practical wisdom which has elicited the admiration of the world, it erected a new fabric of government—the Constitution under which we live, and to which we owe whatever makes us proud of our country, or great or respected among the nations of the earth.

However much the world may praise Washington for his military achievements, whatever of imperishable luster his genius shed upon our arms, he rendered a greater and more valuable service to liberty when as presiding officer he guided and controlled in large measure the deliberations of that convention. But for his conservative views and conciliating nature, but for the confidence the delegates had in his spotless integrity and self-denying patriotism, but for his calmness and coolness and patience, his proved devotion to his country, his practical wisdom and his consequent influence over the minds and hearts of his associates, we now know that the convention would have dissolved in strife and broken up in quarrel, and that the attempt to form a "more perfect union" would have ended in lamentable failure. Debate was animated, interests clashed, jealousies existed, and rivalry contended, and all to such an extent that at times the convention was "scarce held together by the strength of a hair"; but through those four months of doubt and fear Washington sat patient, forbearing, and by the very force of moral grandeur allayed passion and molded antagonisms into harmony.

The convention over, the new Constitution transmitted to the Continental Congress to be submitted to the several States for ratification, Washington returned to his beloved Mount Vernon, there to remain until again called to the service of his country.

Mr. President, do not for a moment suppose that all men believed in the new Constitution. Elbridge Gerry, Edmund Randolph, and George Mason, members of the convention, had refused to approve it, and 12 others had retired from the convention before its labors were finished. Violent opposition to it sprang up throughout the country. There was intense excitement, and supporters of the great charter of constitutional government felt the most anxious solicitude as to its fate. That instrument—the Constitution—was denounced as the "stepping-stone to tyranny," and as "consolidated tyranny," "inimical to the liberties of a free people."

To the youth of to-day, as they read briefly their school histories, it is, perhaps, not known that chief among the opponents of the Constitution stood Patrick Henry, who, though elected a member, had refused to attend or participate in the work of the Philadelphia convention. Patrick Henry, great orator, great patriot, whose love of liberty was unbounded and unquestioned, whose genius had moved the House of Burgesses to resistance, and whose lofty and fearless appeals had stirred their hearts as they move ours to-day, opposed the new Constitution with all his power and all his might. Nor could he be reconciled, even with the tacit, if not authoritative, promise that immediately upon its ratification it should be radically amended, as we know it was amended, the first 10 amendments being immediately added to the original Constitution. Everywhere the civic battle raged. Hamilton, Madison, Jay, Marshall championed the new form of government. The storm gathered and centered in Virginia; upon her action turned the fate of the "more perfect Union." Out from Mount Vernon went a mighty influence—the influence of Washington. For the first time Virginia refused to follow her beloved Patrick Henry; the victory was won.

How shall we express our gratitude to Washington? As without his genius our battle for independence would probably have been lost, as without his counsel the Philadelphia convention never would have agreed upon the Constitution, so without his influence that great instrument of government never would have been ratified by the people. To him more than to any other man we owe the formation of our present Union; without him there would have been no common country to live for or to die for; without him the flag of our hearts and hopes, the flag of unnumbered heroes whose blood has sanctified it—without Washington the flag of this Republic would not be known and respected on every wave, honored and saluted in every port, the symbol of our power, the emblem of liberty enlightening the world.

To Washington we owe the great blessings of the present American Republic. My words, Mr. President, will be forgotten; but I trust in God that this and succeeding generations will follow the advice of Washington and keep out of the entanglements of Europe; that they will have no permanent entangling alliances with European or other nations, but will stand on American soil, on this continent as a free, sovereign, independent, and just Republic, hating no nation, coveting the possessions of no nation, conspiring against no nation. This was the policy of Washington. This should be our policy.

The nations to-day are in a state of anarchy. If there could rise some man, if there could be spoken some word which would induce the so-called civilized nations of the earth to abandon the idea of future enlargement of territory, and to be content with living on their own soil, cultivating the arts of peace; if some great, mighty voice could arrest the attention of the diplomats, the ambassadors, the kings, the queens, the presidents of the earth and persuade them to have done with war, to have done with mighty armies and mighty navies and live in peace, then we could look forward with greater confidence to the survival, the advancement of what we are pleased to call civilization.

Civilization! It does not consist in material things. It consists in spiritual things—in right, in justice, in freedom, in mercy, in charity, in love. Those divine things make up civilization; not mighty armies, not mighty navies.

Yes; the civic battle was won. Washington was at Mount Vernon. The Constitution having been adopted, the hearts

of the people called on him to take charge, to guide the new Nation. Surrounded by Hamilton and Jefferson, by Randolph and Knox, Washington launched this Government upon the untried, uncharted waters, and for eight years directed its course. He was confronted with greater problems than distress us to-day. He encountered greater dangers than surround us. But he resolutely and wisely, in the face of clamor and unmeasured invective—think of it; think of it—in the face and in spite of invective and abuse and ridicule, he held his country on a certain course, and, as you heard read to-day, advised his country to keep out of foreign entanglements. I trust that this and future generations in America will pay heed to the solemn advice of Washington in respect to our relations with foreign countries.

Mr. President, Washington stood, and stands to-day, for constitutional liberty, for regulated liberty, for liberty under "salutary restraint," for liberty under law. He stood, and stands, for regulated liberty under constitutional protections. He knew and taught that without these restraints, these checks, these safeguards, these balances, liberty degenerates into license worse than slavery, into anarchy worse than despotism. Against license, with all its suicidal tendencies, he uttered his warning; against anarchy, in all its frightful and hideous forms, he voiced his protest.

The Nation's power and glory do not altogether depend upon the triumph of its arms; they rest upon the righteousness of its people and the quality of justice which it metes out to all men. The liberty for which Washington stood was the liberty of equality—absolute equality of public burdens, absolute equality of public duty. He believed in a republic of law, a government of order, wherein and whereunder all men should be protected and secure in "life, liberty, and the pursuit of happiness."

Mr. President, Washington and his compatriots were not mere theorists. They were practical men who knew that the liberty they had achieved could only be secured by a government strong enough to protect every man entitled to its care. They strove to embody in constitutional form, and thereby perpetuate, the principles for which they had fought; and their work was one of lofty and disinterested patriotism, marked by concession and compromise. They, the men of New England and Georgia; they, the men of New York and Virginia—Benjamin Franklin, Luther Martin, Rufus King, Robert Morris, and others no less worthy of remembrance—were men who knew their rights, and, "knowing, dared maintain." They had been educated in the English common law and were familiar with history and government; and after a hundred or more years of trial—years of stress and strain, of internal dangers and foreign menace—how true it is to say that they "builded better than they knew"!

I must not detain the Senate longer; but, perhaps, you will suffer me to add just a few words.

Does your love, does our love, body forth an imaginary being? Was there such a man as Washington? Do we overstate it? Does our love betray us into extravagant speech?

Some years ago I happened to be in the great city of Chicago. Walking down State Street, I came to a bookstore. Entering, I saw a table covered with secondhand books. Looking, I saw one, *The Speeches of Henry Grattan*, Ireland's great orator and patriot. Opening it, there was the bookmark of Ireland's immortal orator, Daniel O'Connell! I have that book now, and would not part with it.

Turning to another book, lo, I saw the *Speeches of Charles Phillips*—Charles Phillips, another of Ireland's great orators. I pause to say, having in mind Burke and Grattan and Plunket and Curran and O'Connell himself, and the martyr, Robert Emmet—having them all in mind, I say that Ireland has produced no greater orator than Charles Phillips. Opening the volume I was attracted to a speech which he delivered at a dinner given to a young American. In that speech this great Irish orator, over a hundred years ago, paid this eloquent tribute to the Father of our Country:

It matters very little what immediate spot may be the birth-place of such a man as Washington. No people can claim, no country can appropriate him; the boon of Providence to the

human race, his fame is eternity, and his residence creation. Though it was the defeat of our arms, and the disgrace of our policy, I almost bless the convulsion in which he had his origin. If the heavens thundered and the earth rocked, yet, when the storm passed, how pure was the climate that it cleared; how bright in the brow of the firmament was the planet which it revealed to us! In the production of Washington it does really appear as if nature was endeavoring to improve upon herself, and that all the virtues of the ancient world were but so many studies preparatory to the patriot of the new. Individual instances no doubt there were; splendid exemplifications of some single qualification; Caesar was merciful, Scipio was continent, Hannibal was patient; but it was reserved for Washington to blend them all in one, and like the lovely chef d'oeuvre of the Grecian artist, to exhibit in one glow of associated beauty the pride of every model, and the perfection of every master. As a general he marshalled the peasant into a veteran, and supplied by discipline the absence of experience; as a statesman he enlarged the policy of the cabinet into the most comprehensive system of general advantage; and such was the wisdom of his views, and the philosophy of his counsels, that to the soldier and the statesman he almost added the character of the sage! A conqueror, he was untainted with the crime of blood; a revolutionist, he was free from any stain of treason; for aggression commenced the contest, and his country called him to the command. Liberty unsheathed his sword, necessity stained, victory returned it. If he had paused here, history might have doubted what station to assign him, whether at the head of her citizens or her soldiers, her heroes or her patriots. But the last glorious act crowns his career and banishes all hesitation. Who, like Washington, after having emancipated an hemisphere, resigned its crown, and preferred the retirement of domestic life to the adoration of a land he might be almost said to have created!

How shall we rank thee upon glory's page,  
Thou more than soldier and just less than sage;  
All thou hast been reflects less fame on thee,  
Far less than all thou hast forborne to be!

Such, sir, is the testimony of one not to be accused of partiality in his estimate of America. Happy, proud America! The lightnings of heaven yielded to your philosophy! The temptations of earth could not seduce your patriotism!

And now listen to the calm words of our own Chief Justice John Marshall:

This hero, the patriot, and the sage of America, the man on whom in times of danger every eye was turned and all hopes placed, lives now only in his own great actions.

What more need be said? As a fixed star in the firmament of freedom, Washington shines on, fadeless to eternity.

Nothing can cover his high fame but heaven;  
No pyramids set off his memories,  
But the eternal substance of his greatness,  
To which I leave him.

GEORGE WASHINGTON BICENTENNIAL COMMISSION (S. DOC. 188)

Mr. FESS. Mr. President, the last meeting of the Bicentennial Commission was held last Monday, at which time the commission received a report from the executive committee, which was made the preliminary report of the commission, to be transmitted to Congress. I shall take only a moment in submitting the report.

The executive committee set forth the reason why the commission could not end immediately. It will have to continue its work for probably nine months more, although no additional amount of money will be needed. No appropriation will be asked for. In other words, there is sufficient money in the hands of the commission, or available until expended, to make it unnecessary to ask for further money.

Mr. President, I do not want to take the time of the Senate to indicate the activities of the commission. I do, however, think it wise to submit a digest of its report to the commission made by the director, Mr. SOL BLOOM. I therefore ask unanimous consent as vice chairman of the commission to report for the United States George Washington Bicentennial Commission, established by Senate Joint Resolution 85, approved December 2, 1924, the activities of the commission for the last 18 months, and, if in order, would like to have the report follow the address on George Washington delivered by the Senator from California [Mr. SHORTRIDGE]. I would also like to have the digest submitted by the director, Mr. BLOOM, indicating the breadth of the work, printed and printed in the RECORD.

There being no objection, the report and digest were ordered to be printed, and printed in the RECORD.

The matter referred to is as follows:

At the last meeting of the executive committee on January 10, 1933, the committee authorized the director to proceed with the

preparation and completion of material embracing all phases of the commission's activities preliminary to and including the bicentennial year.

It is estimated that this material will be embraced within about 12 large volumes. There will be a Literary Series in 3 volumes, one of which already is complete; 2 volumes covering Foreign Participation, 3 volumes on Activities, 2 volumes on Music, 1 on the Wakefield Masque, in Braille, and such number of other volumes as will accommodate State Programs.

In view, therefore, of this proposed comprehensive compendium of literature covering every phase of the bicentennial celebration, which in itself will constitute memorabilia of George Washington and a veritable library of Washingtoniana to which students may recur in the future, it is deemed unnecessary by your committee in this report to do more than epitomize certain prominent features divested of the details which will be set forth fully in the report of the director and in the literature referred to. This literature will be preserved in the Library of Congress and in the Hall of Archives.

The joint resolution of Congress establishing the George Washington Bicentennial Commission provided that the commission shall expire within two years after the expiration of the celebration, December 31, 1933. That much time will not be necessary in which to close the work of the commission; but the essential work yet to be done, including final rendition of accounts, will be completed, it is thought, with the aid of a small force by the end of the present year. It is desirable to terminate the commission's activities as soon as possible, and they will be terminated expeditiously, but not at the sacrifice of orderly procedure. Much is yet to be done for the sake of the enduring and constructive record of a celebration which was unique in its scope and purpose and unparalleled in its extent and duration. Its influence for good upon the younger and upon the future generations is incalculable, imponderable. It may be said in truth and in fact that hereafter the student of the life and character of George Washington will find it unnecessary to go back of the year 1932 for accurate and authentic information. In the publications, in the reproductions, and in the data assembled through painstaking research and subjected to minute scrutiny, care has been exercised by those charged by the commission with this important duty to exclude all things of an apocryphal nature.

The executive committee, to which was committed by the commission at the outset the duty of formulating a plan or plans of celebration, kept constantly in mind that the proposed celebration was to be one in which every American citizen and every organization should participate and have some part, leaving details largely to be arranged and perfected by State commissions acting in conjunction and with the approval of the United States commission. Through these agencies and throughout the bicentennial year on every day in that year all over the world some form of commemoration was observed.

The committee has also borne in mind that the celebration was not intended to be a material expression to be evidenced by an exposition of physical resources and the development of the arts and sciences and industries but was intended to be spiritual and educational.

The concept of the character of such a celebration was early expressed by President Emeritus Charles W. Eliot, of Harvard University. "The two hundredth anniversary of the birth of George Washington," wrote Doctor Eliot, "should be celebrated not only all over this country but wherever in Europe there exists a group of persons who know the value of his writings and his deeds for the promotion of liberty and justice among mankind. This celebration, however, should be solemn, not gay, and spiritual, not materialistic. It should be directed in large measure to the rising generation, not to the passing or the past. It should appeal to thinking people, not to the careless or indifferent. Its aim should be to increase the number of Washington's disciples and followers in and for the struggles of the future."

This noble concept, in keeping with Washington's own life and character, can be said to have been scrupulously adhered to. In the activities, both here and abroad, the many thousands of commemorative exercises held daily and in divers forms, according to time and place, were on a high plane of dignity and reverence, educational in their aim and purpose, from which the spectacular and material were excluded, and in which spiritual values were stressed. While foreign countries as such did not officially participate, it is a remarkable fact that in nearly every country in the world groups and individuals paid homage to General Washington in various ways. Of these foreign activities record has been kept and will be preserved in the literature on Foreign Participation.

In our own country particular attention was bestowed upon "the rising generation," to which the youth of America responded with zeal and enthusiasm; and it can not be gainsaid that there has been a tremendous increase in the number of Washington's disciples and followers in and for the struggle of the future. In our judgment, this commemoration has accomplished more to mold the thought and opinions and character of our youth—America's potential rulers—in the fundamentals and ideals of George Washington, both personal and political, and to dissipate and offset un-American propaganda than any one other thing could possibly have done. This, too, in the face of two great obstacles, namely, widespread economic depression and a presidential campaign. These disturbing influences served to distract the people and to divert their minds; nevertheless, this handicap,

great as it was, was met and overcome in marked degree and to such an extent as to exert a steady influence upon the minds of the American people in the midst of conflicting emotions.

Prior to the establishment of headquarters early in 1930 in the Washington Building in the city of Washington the executive committee held its meetings in the Capitol Building. Its preliminary work consisted chiefly in considering the plans and suggestions invited by the organic act. These plans varied widely in their purpose and scope; some were within the original concept, but the majority of them, if not impracticable, would have been too costly in their execution.

In 1927, on the anniversary of Washington's Birthday, President Coolidge, as chairman of the George Washington Bicentennial Commission, delivered an address to the American people in the presence of the two Houses of Congress, in which he invited their cooperation. This was followed by a concurrent resolution of Congress inviting the legislatures and the governors of the States, Territories, and insular possessions to cooperate with the commission in such manner as would seem to them most fitting "to the end that the bicentennial anniversary of the birth of George Washington be commemorated in the year 1932 in such manner that future generations of American citizens may live according to the example and precepts of his exalted life and character and thus perpetuate the American Republic." To this invitation there was general, widespread, hearty response not only by the States and other geographical units but by municipalities, towns, civic, fraternal, patriotic and religious, and other organizations, resulting in the astounding grand total of 1,555,755 contacts with the commission's headquarters, the appointment of 894,224 committees, and the presentation of 4,780,345 programs.

As interest developed and increased with the approach of the bicentennial year the need of the services of one or more directors became apparent to the executive committee actively to organize and execute the plans for the celebration. For these responsible and exacting duties the committee, with the approval of the commission, selected Col. U. S. Grant, 3d, United States Army, and Hon. Sol. Bloom, Representative in Congress from the State of New York, as associate directors, both of whom generously consented to serve. On account of his other and many official duties Colonel Grant found it necessary to relinquish his work as associate director greatly to the regret of the commission and thereafter the entire work of direction was conducted by Representative Bloom. To this task, with its manifold details and responsibilities, Mr. Bloom applied himself with ardent zeal and enthusiasm and with rare executive ability born of ripe experience and organizing genius. He devoted three years to the work with unfailing fidelity and sacrificial devotion; and under his intelligent direction administered the duties of his office in all of its varied ramifications by modern business methods and with strict regard for economy. With the result that the celebration was a distinct success from the viewpoint of its original concept and its influence will be perpetual. To Mr. Bloom we extend our gratitude for his unselfish and effective labors, and our hearty congratulations. In his report to the commission doubtless Mr. Bloom will give due need of recognition to those who labored with him, and to them also, especially to Dr. Albert Bushnell Hart, historian; his assistant, Dr. D. M. Matteson; and to Mrs. John Dickinson Sherman, a member of the commission, the executive committee extends its thanks.

Under authority of Congress and of the commission the preparation and editing of a complete and definitive edition of the Writings of George Washington, including his General Orders, never before published, as a congressional memorial, is proceeding as rapidly as the delicate nature of the work will permit. This duty was committed to Dr. John C. Fitzpatrick, editor of the Washington Diaries. This insures accuracy and the production of a literary work in about 25 volumes, the value of which to the present and future generations can not be estimated. Included will be thousands of Washington letters never before published. This will be a permanent contribution to the literature of our country and a notable memorial to General Washington. Seven volumes are complete. The first volume off the press was presented to President Hoover, who wrote the foreword. One hundred and ninety-six sets have been sold to libraries at \$50 a set, but no price to the public has yet been fixed and will not be until the cost of production is more definitely ascertained. It is thought, however, that the price per set will approximate \$125. Volumes 8 and 9 are in page proof, volume 10 in galley proof, and the type for volume 11 is being set. The index will be in one volume.

Of the 1,000 sets of the definitive writings authorized by law to be distributed to Members of Congress and other officials, 950 copies have been allocated to Members of the Seventy-first Congress, to new Members of the Seventy-second and Seventy-third Congresses, and to officials designated in the law, leaving but 50 sets remaining for distribution by the commission, in its discretion, and for foreign exchange.

On November 15, 1932, with appropriate ceremonies, in which the vice chairman participated, the Mount Vernon Highway connecting the city of Washington with the Washington Estate at Mount Vernon was dedicated. This magnificent boulevard, authorized by Congress, was constructed by the Bureau of Public Roads, Department of Agriculture, under the supervision and direction of Mr. Thomas H. MacDonald, and is a model in road building and a product of engineering skill. In its construction many physical obstacles were overcome. This commission was charged with the duty of selecting the route and did select what is known as the scenic or river route, 15½ miles in length, which lends itself to superior park facilities. The completion of this highway is the

realization of a dream of those who long wished for a connecting link between the home of Washington as he built it and the Capital City which bears his name.

To the commission at its meeting last year was submitted a report on the status of the Arlington Memorial Bridge, showing that the essential parts of the project were practically completed, and at that time an inspection of the bridge was made by the President, accompanied by members of the commission and other officials. From the foot of this massive memorial bridge, at Columbia Island, begins the Memorial Highway, and thus spanning the historic Potomac, so prominently identified with the life of George Washington and his concept of better inland transportation facilities for the colonists, and standing as a permanent memorial to him and as a concrete evidence of the union of North and South, this bridge testifies to the reality of an imperishable reunion of sections once sundered by the strife of Civil War.

On May 14, 1932, the Mansion House, so called, was dedicated at Wakefield, Westmoreland County, Va., the birthplace of George Washington. Another fitting shrine was thus rescued from oblivion and a belated national memorial of major importance made a signal part of the bicentennial program.

The Wakefield National Memorial Association, organized in 1923, engaged in the work of restoring Washington's birthplace, and it is primarily due to the unselfish spirit of patriotism and the unremitting and consecrated devotion to this task of the late Mrs. Josephine W. Rust, its president, that Congress was induced to aid the association to recognize Wakefield as a national shrine, and to make provision therefor by supplementing the voluntary contributions raised by Mrs. Rust and the members of the association. In his report to the commission on the rehabilitation of the birthplace of George Washington, Mr. Horace M. Albright, Director of the National Park Service, gave an interesting review of its history as revealed by old records, from which the following is quoted:

"The National Park Service of the Department of the Interior was authorized by Congress on January 23, 1930, to take over, by transfer from the War Department, the administration of all Government-owned lands at Wakefield, the birthplace of George Washington, the area to be known thereafter as the George Washington Birthplace National Monument. The service was further authorized to cooperate with the Wakefield National Memorial Association in rehabilitation work which the latter had been authorized by Congress in 1926 to undertake.

"Before the erection of the mansion house could be undertaken it was, of course, necessary to remove the Government monument, a shaft of Vermont granite 51 feet high, to a location at a road intersection about a quarter of a mile distant. The present location of this monument adds greatly to the road approach to the mansion. The base and pedestal of the monument were recut to achieve a classic appearance. In addition to this work and the erection of the mansion house a building has been constructed on the site of the ancient independent kitchen, a deep-well water supply has been provided, a sewage-disposal plant installed, and telephone and electric-power connections made. The development of the grounds has been an especially interesting feature of the work because of the naturally beautiful location of the old Washington homestead. The point of land on which it was situated affords a beautiful view of Popes Creek with the broader waters of the Potomac in the distance, and innumerable cedars stud the grounds. It was necessary to transplant some of these trees, but wherever this was done the work was accomplished with great care. Many of them were planted on either side of the road leading from the granite shaft to the grounds of the mansion house.

"In the spring of 1930 the association excavated and rebuilt the old family vault at the burial ground and collected the remains of all the bodies that were buried outside the vault and placed them in the reconstructed vault and sealed it. The top of this vault is about 1 foot below the ground surface. Five table stones have been erected, and the burial ground, an area of 70 feet square, inclosed by a wall of handmade brick with iron gates.

"The association is furnishing the mansion with copies of furniture of the period. At present the living room and dining rooms are furnished. The furniture for the other rooms is under contract and delivery is expected at an early date.

"The Wakefield association is now completing plans for a log lodge building to cost \$20,000, which will be located in the recreational area and dedicated as a memorial to Mrs. Josephine W. Rust, founder and late president of the association.

"The story of George Washington birthplace national monument is largely the story of the Wakefield National Memorial Association, under the able presidency of the late Mrs. Josephine W. Rust, who was untiring in her efforts for the preservation of Washington's birthplace. Her death was a great loss to the officials of the park service who have been actively engaged in the rehabilitation work.

"In 1929, at the initiation of the association, Mr. John D. Rockefeller, Jr., purchased 273.56 acres of the original Washington tract lying along the Government road between the birth-site area and the Potomac River and Bridges Creek at a cost of \$115,000. This land was transferred to the Government, December 12, 1930, and by proclamation of the President became a part of George Washington birthplace national monument, March 30, 1931.

"In 1929 the association purchased 30 additional acres of land at a cost of \$8,000 to consolidate the lands purchased by Mr. Rockefeller.

"On June 22, 1931, the association deeded its land at Wakefield, about 100 acres, to the Government. The present area of George Washington birthplace national monument is 384.37 acres."

The full text of Mr. Albright's report is embodied in the minutes of the commission's proceedings of January 16, 1932.

Upon the invitation of the commission the District of Columbia, through its Board of Commissioners, created the "District of Columbia Commission George Washington Bicentennial (Inc.)," and Congress appropriated \$100,000 from the District revenues in aid of the local celebration.

With the president of the District commission, Dr. Cloyd Heck Marvin, and with Dr. George C. Havenner, executive vice president, the executive committee, through a subcommittee styled "committee on program," held frequent meetings, at which plans were formulated for events throughout the bicentennial year, and an agreeable arrangement was made with respect to such events as were of national and local character, respectively.

The commemorative ceremony in honor of the 200th anniversary of the birth of George Washington was officially inaugurated at a joint session of Congress in the House of Representatives on February 22, 1932, at 12 o'clock, noon, on which occasion the President of the United States, Herbert Hoover, delivered the address opening the Bicentennial Commission. The congressional joint committee on arrangements consisted of the congressional members of your Executive Committee, supplemented by the Hon. CLIFTON A. WOODRUM, of Virginia.

The official ceremony was held under the auspices of the United States Commission, and the exercises which followed at the east front of the Capitol Building were arranged and conducted by the District of Columbia Commission. At night the official Washington's Birthday celebration climaxed with a costume ball at the Mayflower Hotel.

From the birthday anniversary, February 22, until Thanksgiving Day, November 24, a succession of events took place in the city of Washington, in the form of military and civic parades, pageants, plays, and religious exercises, which were locally a reflex of the thousands of similar activities engaged in all over the country and in many parts of the world. Great credit is due the District of Columbia Commission for its fine spirit of cooperation and for the successful execution of its plans. Every facility and possible assistance were rendered to it by Director BLOOM and his force, and under the direction of your subcommittee.

The entire net charge upon the Federal Treasury, covering the entire life of the commission, is estimated at \$208,170.91, and this amount may yet be reduced considerably through the sale of commemorative postage stamps and the sale of sets of the Definitive Writings.

Congress appropriated for the work of the commission, including the cost (\$56,000) for preparing the manuscript of the Definitive Writings, a total of \$1,270,716.02, of which \$13,946.02 were reappropriations of unexpended balances of the Bunker Hill and Lexington and Concord appropriations. To February 1, 1933, the amount impounded from the appropriations pursuant to the economy act was \$7,203.52, leaving a balance of \$66,985.39 available for requisition. This amount, together with the disbursing officer's check book balance as of February 20, 1933, of \$120,499.71, makes the total available funds \$187,485.10, from which will be deducted amounts hereafter impounded.

The minimum estimate made by the Post Office Department of profit derived from the sale of bicentennial stamps is \$1,000,000, which sum, together with the amount paid the Public Printer of \$62,545.11 for the production of the definitive writings which will be returned to the Treasury from proceeds of sale of that work, aggregate \$1,062,545.11, leaving net \$208,170.91 as the total cost for each and every item of expense incurred by the commission covering a period of seven years. The estimates of the amounts to be derived from the sales mentioned are conservative; it is quite likely that the reimbursement from such sales will nearly, if not fully, cover the total amount of appropriations, and possibly with some increment.

In concluding this preliminary report in which details of the operation of administration have been left to be covered by the preliminary report of the director, the executive committee wishes to express the confident belief that the bicentennial of the birth of George Washington was commemorated in the manner in which such event was contemplated without resorting to spectacular and ephemeral devices; and to those persons who expected or anticipated a celebration in the form of displays of material progress and development of resources, invention, and scientific achievements, which at best are evanescent, we desire to say that it was the spirit of George Washington, the simplicity of his life, and the virtue of his character, the renown of his deeds, and the principles of his Americanism that we aimed to teach and to inculcate in the minds and hearts of the American people as the most fitting and lasting tribute that could be paid him by a grateful people through the use of agencies for the dissemination of knowledge and accurate information deemed by him to be essential in a government founded on the principle that all just powers are derived from the consent of the governed.

Acknowledgment is here made and recorded of the fact that the late Col. John A. Stewart, of New York, originated the idea of commemorating the bicentennial of the birth of George Washington, and rendered practical aid and suggestions in the creation of the United States Commission. He drafted the organic act, and but for his death soon thereafter he would have been an invaluable advisor to the commission and of great assistance in the execution of its work.

## Total for all States

Cities with population of 25,000 and up.....	376
Cities with population of 10,000 to 25,000.....	611
Cities with population of 5,000 to 10,000.....	856
Cities with population of 2,500 to 5,000.....	1,329
Cities with population of 1,000 to 2,500.....	3,116
Cities with population under 1,000.....	116,829
Total cities, towns, and villages.....	123,153
Post offices (first class).....	1,122
Post offices (second class).....	3,425
Post offices (third class).....	10,485
Post offices (fourth class).....	33,187
Total post offices.....	48,219
Towns and villages served by rural free delivery.....	74,934
Commissions appointed by governors.....	48
Committees appointed for cities and towns.....	107,803
Programs by cities, towns, and village committees.....	126,870
Churches.....	212,159
Church committees.....	190,194
Church programs.....	210,320
Fraternal, patriotic, and civic organizations.....	98,356
Fraternal, patriotic, and civic committees.....	85,344
Fraternal, patriotic, and civic programs.....	156,435
School units.....	887,073
School committees.....	275,869
School programs.....	3,548,292
Women's organizations <sup>1</sup> .....	77,680
Women's organization programs <sup>1</sup> .....	316,221
Agricultural organizations.....	108,439
Agricultural committees.....	108,439
Agricultural programs.....	240,167
Boy and Girl Scout units.....	44,669
Boy and Girl Scout programs.....	153,478
Boy and Girl Scout committees.....	44,669
Music clubs.....	4,226
Music club programs.....	8,562
Schools in declamatory and essay contest.....	73,168
Memorial trees planted (estimated by American Tree Association).....	30,000,000
Public libraries mailed material.....	5,849
Educational and professional libraries mailed material.....	4,417
Number of news items appearing in newspapers of country.....	4,926,083
Letters received January 1, 1932, to January 1, 1933.....	296,794
Number of posters placed in school rooms.....	901,164
Number of posters placed in post offices.....	96,438
Number of pieces of literature mailed.....	12,920,533
<b>Grand totals</b>	
Organizations and municipalities contacted.....	1,555,755
Committees appointed.....	894,224
Programs presented.....	4,760,345

## MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 50) to authorize the printing of the first edition of the Congressional Directory of the first session of the Seventy-third Congress, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H. J. Res. 572) to provide for further investigation of certain public-utility corporations engaged in interstate commerce, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 1, 14, 15, and 16 to the said bill and concurred therein severally with an amendment, in which it requested the concurrence of the Senate; that the House had receded from its disagreement to the amendments of the Senate Nos. 17 and 18 and concurred therein; and that the House insisted upon its disagreement to the amendments of the Senate Nos. 7, 8, and 9.

## PETITION AND MEMORIALS

Mr. HALE presented the petition of the Green Street Methodist Episcopal Church Quarterly Conference, Augusta,

<sup>1</sup> In addition to women's organizations there were 148,550 committees, composed entirely of women, who presented 435,247 programs.

Me., praying for the passage of legislation to regulate and supervise the motion-picture industry, which was ordered to lie on the table.

Mr. CAPPER presented memorials signed by 5,272 citizens of the District of Columbia and the State of Maryland, remonstrating against the repeal of the eighteenth amendment to the Constitution and the return of beer, or the liquor traffic in any form whatever, in the District of Columbia, which were referred to the Committee on the District of Columbia.

## REPORTS OF COMMITTEES

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 246. An act for the relief of Galen E. Lichty (Rept. No. 1263);

H. R. 3036. An act for the relief of Florence Mahoney (Rept. No. 1264); and

H. R. 3727. An act for the relief of Mary Elizabeth Fox (Rept. No. 1265).

Mr. STEIWER, from the Committee on Claims, to which was referred the bill (H. R. 5150) for the relief of Annie M. Eopolucci, reported it with an amendment and submitted a report (No. 1266) thereon.

Mr. SHORTRIDGE, from the Committee on Finance, to which was referred the bill (H. R. 12977) to amend section 808 of Title VIII of the revenue act of 1926, as amended by section 443 of the revenue act of 1928, reported it without amendment and submitted a report (No. 1267) thereon.

Mr. WALCOTT, from the Special Committee on Conservation of Wild Life Resources, submitted a report, pursuant to Senate Resolution 246, on the question of consolidating Federal agencies engaged in conservation, which was ordered to be printed as report No. 1268.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 5623) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement, reported it with amendments and submitted a report (No. 1269) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 228) authorizing the American National Red Cross and certain other organizations to exchange Government-owned cotton for articles containing wool, reported it without amendment.

Mr. VANDENBERG, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 14411. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex. (Rept. No. 1270);

H. R. 14460. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La. (Rept. No. 1271);

H. R. 14480. An act to extend the times for commencing and completing the reconstruction of a railroad bridge across the Little River at or near Morris Ferry, Ark. (Rept. No. 1272);

H. R. 14500. An act to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans. (Rept. No. 1273);

H. R. 14584. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a bridge across the Allegheny River between the city of Pittsburgh and the township of O'Hara and the borough of Sharpsburg, Pa. (Rept. No. 1274);

H. R. 14586. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Culbertson, Mont. (Rept. No. 1275);

H. R. 14589. An act to extend the times for commencing and completing the construction of a bridge across the

Mississippi River at or near Tenth Street in Bettendorf, Iowa (Rept. No. 1276);

H. R. 14601. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La. (Rept. No. 1277);

H. R. 14602. An act to revive and reenact the act entitled "An act granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across Elk River between Lauderdale and Limestone Counties, Ala.," approved February 16, 1928 (Rept. No. 1278); and

H. R. 14657. An act to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala. (Rept. No. 1279).

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAREY:

A bill (S. 5680) for the leasing of agricultural lands by the Secretary of Agriculture for the purpose of reducing overproduction of certain agricultural commodities; to the Committee on Agriculture and Forestry.

By Mr. WAGNER:

A bill (S. 5681) for the relief of the Sultzbach Clothing Co.; to the Committee on Claims.

By Mr. REED:

A bill (S. 5682) granting a pension to John P. Haupt (with accompanying papers); to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 5683) to amend the Reconstruction Finance Corporation act approved January 22, 1932; to the Committee on Banking and Currency.

#### HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 572) to provide for further investigation of certain public-utility corporations engaged in interstate commerce, was read twice by its title and referred to the Committee on Interstate Commerce.

#### CORRECTION IN ENROLLMENT OF BILL

Mr. NORRIS. Mr. President, I submit a concurrent resolution and ask unanimous consent for its present consideration. It merely corrects the spelling of two words in an act which was recently passed by Congress.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the concurrent resolution (S. Con. Res. 43), as follows:

*Resolved by the Senate (the House of Representatives concurring).* That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 4020) to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict, to strike out, on page 1, lines 8 and 9, respectively, of the engrossed bill the words "Porto Rico" and insert in lieu thereof "Puerto Rico."

Mr. NORRIS. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. Is there objection? The Chair hears none, and, without objection, the concurrent resolution is agreed to.

#### RULES FOR CONDUCTING SENATORIAL ELECTION CONTESTS

Mr. BLACK submitted the following resolution (S. Res. 367), which was referred to the Committee on Privileges and Elections:

*Resolved,* That the Committee on Privileges and Elections be, and it hereby is, directed to prepare and report to the Senate as early as practicable rules and regulations providing for the conduct of election contests in this body, including provisions for charges to support such contests, the answers thereto, and the rules as to the admissibility and relevancy of evidence offered in the said contests.

#### INDIAN ALLOTMENTS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3508) to amend section 1 of the act entitled "An act to provide for determining the heirs of deceased Indians for the disposi-

tion and sale of allotments of deceased Indians, for the leasing of allotments, and for other purposes," approved June 25, 1910, as amended, which were, on page 1, line 3, to strike out "That" and insert "'That,'" and on page 3, line 21, to strike out "Interior." and insert "Interior."

Mr. FRAZIER. I move that the Senate agree to the amendment of the House numbered 1 with an amendment as follows:

In lieu of the word "That," as designated, insert the following: "That section 1 of the act entitled 'An act to provide for determining the heirs of deceased Indians, for the leasing of allotments, and for other purposes,' approved June 25, 1910, as amended, is amended to read as follows: "'That'"

The VICE PRESIDENT. Without objection, the amendment of the House is agreed to with the amendment to it submitted by the Senator from North Dakota.

Mr. FRAZIER. I move that the Senate agree to House amendment numbered 2.

The motion was agreed to.

#### CONGRESSIONAL DIRECTORY FOR SEVENTY-THIRD CONGRESS, FIRST SESSION

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution from the House of Representatives, which will be read.

The Chief Clerk read the concurrent resolution (H. Con. Res. 50), as follows:

*Resolved, etc.,* That an edition of the Congressional Directory for the first session of the Seventy-third Congress be compiled, prepared, indexed, and published under the direction of the Joint Committee on Printing, as provided for in section 73 of the printing act approved January 12, 1895.

Mr. FLETCHER. Mr. President, I move that the Senate concur in the resolution.

The motion was agreed to.

#### AMENDMENT TO PENDING APPROPRIATION BILL—FEDERAL TRADE COMMISSION

Mr. ROBINSON of Arkansas. Mr. President, I am compelled to leave the Chamber in a few minutes to fill an imperative engagement. I desire to offer an amendment to the committee amendment on page 22 of the independent offices appropriation bill, and ask that the amendment may be reported.

The PRESIDING OFFICER (Mr. Fess in the chair). The clerk will report the amendment for the information of the Senate.

The Chief Clerk read as follows:

On page 22, line 8, strike out "\$780,000" and insert "\$1,081,500."  
On page 22, line 13, strike out "\$10,000" and insert "\$20,000."  
On page 22, line 14, strike out "\$790,000" and insert "\$1,101,500."

Mr. ROBINSON of Arkansas. Mr. President, the amendment, if agreed to, will give the Federal Trade Commission \$8,000 less than the Budget estimate. It will be \$365,000 less than the current appropriation—that is, the appropriation for the fiscal year ending June 30, 1933. The reduction as made by the House of Representatives was 65 per cent from the appropriation of the present fiscal year. The appropriation contemplated by the amendment just submitted will increase the amount recommended by the Senate committee by \$311,500. It is necessary to adopt the amendment and make the appropriation unless the Congress wishes to terminate the various economic investigations which the Federal Trade Commission is constantly making under its general power; that is, under the direction by the President or Congress or one branch of the Congress and on its own initiative. I shall reserve further discussion.

The VICE PRESIDENT. The amendment will lie on the table for the present.

#### ADDRESS BY WILLARD T. CHEVALIER ON DEVELOPMENT OF HIGHWAYS

Mr. HAYDEN. Mr. President, in view of the very vital interest in the development of our highway system in this country and the proposed legislation now before the Congress, I wish to present for the information of the Senate excerpts from the address given on February 15 at Atlantic City by Mr. Willard T. Chevalier, publishing director of the Engineering News-Record, New York City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There is no single influence in this country, in my judgment, that has contributed so powerfully to the development of this new transportation machine as has been the enabling act to set up economically and the control of articulation of all the elements that compose it, equal to the Federal aid to the States. It has not only insisted upon the laying out of contiguous roads for interstate traffic, it has not only insisted upon the continuity that is the essence of a transportation artery as opposed to a land-service facility, but it has also conducted the research necessary, it has established the standards necessary to see that these facilities are designed and built in accordance with the requirements of a transportation agency rather than of a local land-service facility. The national viewpoint in the development of our highway system has been the most powerful single factor to make it truly a transportation system rather than a local land-access facility, and now that we have this need for a better formulation and classification of highway services, there is all the more reason why we should continue the influence of the Bureau of Public Roads in our highway thinking and highway planning. To-day we have the additional reason that Federal highway aid has become self-liquidating by the imposition of a Federal gasoline tax and taxes upon tires, oil, and parts. We are providing an income to the Federal Government more than equal to the requirements of Federal aid, and every reason that can be given for opposing the diversion of State gas and vehicle taxes to other than highway purposes applies to the diversion of Federal taxes upon highway users, because the highway user is paying directly to the Federal Government more than enough to defray the expense involved in the Federal aid and supervision of our highway systems.

I think it is most important that we centralize the control and administration of highway features, so far as practical in every State, to insure sound planning and avoid waste. In a number of States to-day this process is going on. It is wise and well-founded, and if we are going to have a more rational classification of our roads and our highways to integrate them into a complete system, it is going to be of the utmost importance to centralize the design, construction, and administration of that system. In this day of economy it is necessary also for the sake of economy that can be realized over the present dispersment with many administrative agencies absorbing each one a part of the funds available in unnecessary administrative expense. If we are going to give the taxpayer, especially the property taxpayer, more road for his dollar, then it is necessary for us to eliminate much of the waste now involved in the administration of that dollar.

Next we must put forth our best effort to keep the main trunk system on a self-liquidating basis and equal to traffic demands. We have a great highway system to-day, and yet we have congestion, and we have situations that involve the public safety. We have a great need for by-passes in many cases; we have a need for realignment and reconstruction, a need for greater economy and safety in driving the highways. We have need for grade improvements where, in the first rush of road building, some of these new highways of ours were laid upon the same alignment and grades of the old land-service roads.

If we are going to keep our primary highway system as a part of a transportation machine self-liquidating, then it is necessary that we keep them up to it, that we keep up the efficiency, that we keep it in shape to encourage its use as a transportation artery rather than to discourage it. Furthermore, I sometimes wonder whether we have begun to cash in on our highway investment. We are dressed up and don't know where to go. We have made a tremendous investment and have an improved transportation machine and do not know how to use it. What do I mean by that? Simply that one of the greatest benefits to be derived by the community from an improved transportation machine is the simplification of our government structure. This present land of ours is carved up into thousands and thousands and thousands of governmental subdivisions to-day that are of no more necessity than two tails are to a cat. The governmental divisions of the country are based upon the days of the oxcart and the horse and buggy and mud roads as the only means by which the citizen could get to the county seat, the courthouse, or the community. To-day we have our county seats 10 or 15 minutes apart by a modern system of highways. The new transportation machine has offered us an opportunity to save untold millions in the needless cost of administering our government. But we have not yet had the intelligence or the stamina to seize upon it. The same applies to our educational system. There are school houses and school districts in this country to-day that are maintaining a school house and staff and overhead expense for the education of 1 or 2 or 3 children. The development of the school-bus system needs attention. Then we need to take this new transportation agency that we have created, with all of its values, and cash in on some of them. And when I hear people to-day urging that we cut our highway program and that we declare "a highway holiday" in order to cut down the cost of government and slash taxes I become very impatient.

I say to them, the place to cut the cost of government is in the cost of administering the government, not in the capital investment that we are putting into the very facilities that make it possible for us to cut the cost of government, but for one reason or another we do not take advantage of. Cuts in administrative and operating costs are true economies; cuts in capital investment may not be economies in any sense of the word, and the

place to begin cutting the cost of government is in this needless waste of the taxpayers' money in maintaining and operating an anachronistic governmental structure.

The next point to bear in mind is to avoid excessive taxes on our highway users. Do not strangle the highways. That is not just a phantasy of mine or a ridiculous fear. I have been told that last year 2,000,000 cars were laid up by their owners because they were unable to pay the expenses involved in operating them. We are up against it. Give the people a new facility and they will use it and pay for it gladly. But keep loading upon them the expense for the use of the facility and there comes a time when no amount of increase in the rate will make up for the loss of the total revenue due to diminished use. All over the country to-day, animal-drawn vehicles are coming back. I have just returned from a trip of a couple of thousand miles through the Middle West and I know that is so there. I have talked to people who have returned from the South and I know that is so there. Why, actually, they are hitching old Dobbin to the Chevrolet in some communities and putting shafts on automobiles for animal draft. And those are the States that have run their gasoline taxes up out of all reason.

What is the use of making an investment in a great transportation machine and then arbitrarily running the rates up to a point where you cut down the use of it and the revenue from it? We shall have to stop talking about gasoline and vehicle taxes. They are not taxes. They are highway revenues as truly as the passenger receipts of a railroad are revenues, and the rates charged for service must bear some proportion to the cost of rendering the service and the ability of the buyer to pay for it, and it is perfectly proper that you put our highways on a self-liquidating basis, and avoid this insane diversion of our highway revenues to support fish hatcheries and schools for sheriffs, or what have you, all over the country, and avoid bleeding the highway user-buyer of our transportation service; then we shall be able to keep the cost down to a point where we would still patronize our highways and contribute to our revenues in doing so. It is a business proposition pure and simple. The motorist is not a Christmas tree. If we continue to look to him to carry the cost of Government by simply jacking up the taxes that we levy on him which are in fact a charge for the service, we are going to cause him to stop using the service; and if we do the highways will not be the chief agency of transportation.

One of the great troubles that our railroads suffer from to-day, one of their great complaints against the highway, is that the highway is taking traffic away that they once had, and why? Because of an utterly irrational rate structure built upon the principle of all that the traffic would bear, and which simply could not stand up under the test. Now, if we are going to follow the same process we are going to find the same problem and we are going to drive our people back from the use of the highway.

Incidentally in this matter of taxes and regulations, and, mind you, I want to insist upon looking at this transportation machine as a whole, I want to refer to the matter of taxation or regulation by taxation, which, in my judgment, is a wholly vicious thing; and yet we are being urged to-day that we should equalize the opportunity of the two means of transportation by loading the more efficient of the two for certain purposes with prohibitive taxation and regulation. Of all the economic folly I ever heard of, that is the worst; that is penalizing progress. If any of our transportation agencies to-day are overtaxed, if they are overregulated, if they are unfairly handicapped, the way to remedy that is to remove the handicap, not to put more handicap upon another agency of transportation that the public has provided out of its own pocket for its own service. That seems so elementary as scarcely to need a statement; and yet we have one great State in the Union that has already passed laws to the effect that the charge for hauling on the highways, regardless of the cost, shall not be less than that on a railroad between the same points; and we have also in the same State a law that trucks shall not carry a greater load than 7,000 pounds unless it is being carried to serve a railroad, and then you may carry 14,000 pounds on your truck. Why? I don't know; but that is an effort to regulate by taxation, and the only result of it will be to tax our traffic off the highways, and if we do that we can not possibly hope to get back a return on our highway investment; and so I say let us devote all of our energy to keeping the charges upon our highway users upon a fair and equitable basis, sufficient to defray the cost of providing and maintaining and regulating our highways with perhaps something over for an extension of our highway system to provide feeders that will increase the traffic and therefore the revenues from our highways rather than regulation or taxation that will drive the traffic off our highways and decrease the revenue of our transportation system. Incidentally I just want to say this in passing: That I have the greatest sympathy for the problems of the men who are managing our railroad systems to-day.

I am speaking here in behalf of justice and equity for the new highway transportation agency, but I want to step out of my part long enough to express sympathy for the men in this generation who are charged with the responsibility of operating our railroad facilities. The evils from which they suffer are not of their creation, but God knows the railroad brought all its troubles upon itself, and incidentally we are being treated to a great flood of propaganda on that subject. We hear a great deal to-day about what it is going to do to the whole financial structure of this country if we do not do something to keep people from using the highways and force them to use the railroads. Well, it is a lot of hokum. We hear a great deal about the investments of insurance companies, for example. Well, as a matter of fact, in 1906, 36 per

cent of the resources of our insurance companies were in railroad securities, to-day less than 16 per cent of their resources are in railroad securities. You could wipe out all the railroad securities which are in the resources of our insurance companies to-day and the average paper loss of policy owners would be \$48. So, let us not be too disconsolate about the need for handicapping highway development in order to preserve the financial structure of the country.

Now, we need, if we are going to develop intelligent highway programs, to keep the public informed on the economic facts and how highway funds are being invested. I wonder if all of you have seen the charts that are being displayed in the railroad stations of this country convenient to the ticket offices calculated to put the fear of Jehovah into the hearts of the taxpayers. I wrote an article, which appears in the January issue of *Bus Transportation*, which is an analysis of that chart, and I want to say that in 30 years' experience I have never seen a more untrue, a more misleading, or a more perverted presentation of data than is conveyed in that chart. It is all full of cute little tricks to frighten the taxpayer out of his wits, but it relies for its effect upon two fallacies.

The first is that the chart shows the tremendous increase in taxation for our highways during the last seven years, but it does not bring out and is drawn to conceal the fact that substantially the whole of that increase has been from gasoline and vehicle taxes and that in that time there has been no increase in the property taxes levied in behalf of our highways. It also conceals the fact that practically all the property taxes mentioned in that chart are being spent on the local or land-access roads, which should properly be paid for by taxes upon land to which they give access and value; that substantially the whole amount of money that is being spent upon the main arteries of traffic, the transportation machine proper, come from the users of that transportation machine in the form of vehicle taxes and gasoline tax. That fact is carefully concealed in this chart. Furthermore, the first item in this dish is a part of the chart which shows a tremendous accumulating deficit that must be paid for by future taxpayers for a dead horse, the idea being that the life of the bonds so far exceeds the life of the highways that we are building up a huge deficit that is hanging over us like a great cloud and some day will descend upon us and engulf us. That is the impression created upon the average business man by this chart. Well, the joker in that is that the average layman does not understand it, but you will see it. The joker is that the whole calculation is based on the assumption that the life of the highway is no more than 10 years; in other words, the average bond period of our highway bonds is about 20 years. If the maker of this chart had assumed a 20-year life for our highways, his deficit would have disappeared in thin air. And so he has assumed 10 years. I do not know why he did not assume five years; then he could have made a lot more impressive exhibit. However, he assumes 10 years as the life of a highway to build up a deficit. Let us look at that for a minute.

An analysis of 70,000 miles of Federal-aid roads built between 1917 and 1928 of all sorts shows that 40 per cent of the cost of those highways went into rights of way, grading, drainage structures, and bridges. Now, the maker of this chart, of course, has played upon the layman's impression that the life of a highway is the life of the surface, but everyone knows that it is ridiculous to figure the life of a highway by the life of the surface as it would be to figure the life of a railroad on the life of the steel rails that the trains run over. Now, I say the average for 70,000 miles of roads of all sorts was 40 per cent in these permanent items. If you take the sand or clay roads, the permanent items amount to 70 per cent of the cost of the road. If you take a gravel road, they amount to 49 per cent of the cost of the road. So you see the quicker the road surface may wear out, the less of the investment is not the road surface. And so it would seem to anyone that knows anything about the matter and wants to be honest that the 20-year term for our highway bonds is a very reasonable and conservative term, and there is, in fact, no accumulating deficit in our highway system. Nevertheless the man on the street does not know these things that I am talking to you about. He just takes that for granted and wants to know where the highway extravagance of this country is going to lead him. I have had intelligent business men ask me, "Have you seen this chart in the railroad stations?" and they said, "My God, you fellows on the highways are going to run this country into bankruptcy." There is need for some intelligent education on the subject of highway investments.

The legislators of this country are facing an alternative; the alternative is, are they going to relieve unemployment by increasing employment or by dispensing charity? That is all; it is just as clear-cut as that. I admit that the solution is not simple, but I contend that the problem is clear-cut. Our people do not want charity. An engineer told me recently about a man, pretty well along in years, that he picked up on a road out in one of the Western States, I think in Colorado, and he was walking 15 miles because he heard there was a highway construction job up the line and he wanted to get a job, he wanted one of those 5-hour shifts. That man could have gotten charity in the town he had just left but he did not want charity, he wanted a job and he was walking 15 miles to get it, and that is the spirit of the American people—or has been up to now—and that spirit is a very precious thing and the future of our country depends upon our preserving that spirit, and yet there are times when I am temporarily afraid that we are fastening upon this country to-day a psychology of the dole. I am afraid that we are letting ourselves in for a new racket, the relief racket. I know that the professional welfare worker can show you figures showing how much fur-

ther a charity dollar goes in relief than an employment dollar, but something way down inside of me tells me that those figures are hay wire. No man living on charity can be anything else than a liability to the community, and a man at work is an asset to the community. He is a producer. He is one of the producing agencies; he is an element of wealth in the community.

You can not put all the unemployed at work on highways, but we can keep the men we have on the highways now at work and keep them off the bread line, can we not? And we can put a lot of people who are on the bread line to work, can we not? Why should we divert the revenues of our highway system to this thing and that thing, and then lay off men and create more unemployment only to turn around and dole out the money as a charity? Throw the man out of a job and put him on the bread line; you take him from an asset and make him a liability and develop the psychology of the dole. It is a complicated matter, but it is a serious matter and I believe we are fastening upon ourselves an institution that is going to survive long after the need has passed. You will substitute for the will to work and the determination to be self-supporting the feeling that "Oh, well, we can live on the community;" and you are striking at one of the fundamental elements of the country.

It has been said, and well said, that the highway systems of this country can absorb a great deal of unemployment and relieve it quickly. We have our State highway departments, our programs and our plans. We can go ahead like that. These emergency appropriations have been put under contract and spent like that, and we have other agencies that have floundered and are still trying to get set up to spend some of the money that has been made available to them.

#### NATIONAL GRANGE'S PROGRAM FOR RECONSTRUCTION

Mr. CAPPER. Mr. President, I ask unanimous consent to place in the *RECORD* a recent radio address by L. J. Taber, master of the National Grange, delivered at Washington, D. C., February 18, 1933, and to urge the Senators to give careful and thoughtful attention to the contents of this address.

I regard Mr. Taber as one of the ablest farm leaders in the country to-day. His statement of the farm situation, of the relationship of agriculture to industry, of the causes of our present distressed condition, and his discussion of basic remedies should be given intensive study by all of us, and by the country.

The Grange program, as outlined and amplified by Mr. Taber in this address, is fundamentally sound, essentially workable, in my judgment. His analysis is clear-cut and compelling. He urges lifting farm prices to restore farm purchasing power. I consider that essential. He points out clearly that while our domestic markets are basically most important, agriculture also must have foreign markets reopened for American farm products.

I especially commend to the Senate Mr. Taber's program for revision of the money system so that we will have a stable dollar—stable in purchasing power, rather than simply constant in the amount of gold it contains.

"We must either reflate or repudiate," Mr. Taber says, discussing the relation of dollars to debts. And I believe he is right. Mr. President, I send Mr. Taber's address to the desk, with the request that it be printed in the *RECORD*, and again urge my colleagues to give it careful attention.

There being no objection, the address was ordered to be printed in the *RECORD*, and it is as follows:

Pursuant to the terms of a resolution proposed by Senator HARRISON of Mississippi, the Senate Committee on Finance is conducting hearings with a view to determining more clearly the causes of the present depression, to secure suggestions for its cure, and as an aid in formulating policies for the prevention of its recurrence.

Upon invitation of Senator SMOOT, chairman of the committee, leaders in agriculture, industry, commerce, finance, and other walks of life are appearing before the committee to present their views. As master of the National Grange, it was my privilege to testify at one of these hearings on February 17.

The causes of this depression are many, some of them intricate and some not yet revealed, but the fundamental cause is apparent to all. We have violated the laws of God and the laws of economics and are paying the penalty. The measures necessary to restore normal conditions are some of them shrouded in mystery, but the essential step is that with common sense we apply social and economic justice to all groups alike.

#### CAUSES OF THE DEPRESSION

The prime cause of all our troubles can be traced back to the World War. This fire, started by ambition and hate, that burned in Europe until it consumed the accumulated savings of a century and burdened the world with debt, was extinguished only with the blood of millions of the best young men of the world. The aftermath of geographic dislocation, unwise territorial distribu-

tion, unsound burdens of debt and reparations, created such economic conditions that retribution was almost certain to over-

Second. The wild orgy of speculation that swept the Nation, leading many to believe that playing a bull market was the easy road to wealth and that the old-fashioned virtues of thrift, economy, and toil had become obsolete, contributed greatly to our difficulties. We are all now paying for this folly.

Third. The maldistribution of wealth that created millionaires like mushrooms and did not equitably distribute the wealth produced was an important factor in bringing on the depression.

Fourth. The machine age, inventive genius and scientific discovery caused productive ability to outrun consumptive capacity. We now know that mass production without mass consumption leads to disaster.

Fifth. Our failure to provide a stable medium of exchange added to national difficulties.

Sixth. Next to the war, the most fundamental cause of the collapse of 1929 and the three years of disaster that has overtaken the Nation was the failure of America to do justice to agriculture. The farm problem was allowed to grow more acute until the purchasing power of agriculture was almost destroyed and large groups of our people were brought to the verge of bankruptcy while the Nation was yet in seeming prosperity.

Agriculture has been basic in every civilization. It produces the food, the clothing, and most of the shelter of mankind. No amount of invention, no amount of scientific discovery, no amount of congesting in cities ever has or ever will enable a nation to get away from its direct relation upon the soil. Farm prosperity is synonymous with national well being. Prosperity and stability can not return until the purchasing power of the farmer is restored.

#### AGRICULTURAL DEPRESSION 12 YEARS OLD

While the depression is only a little more than three years old, so far as it relates to industry and finance, it is necessary to emphasize the fact that agriculture has been in serious distress for 12 years. In order to get a clear perception of the unparalleled difficulties confronting the farmer to-day, we must go back to the time of the World War.

The period of 1914 and 1917 found American agriculture in a fairly prosperous condition, because prices of farm products had been gradually advancing since the beginning of the century. The consuming power of our own people was overtaking farm production. From the time when the United States entered the war, in April, 1917, the highly important part devolving upon the farmer was emphasized in governmental and military circles.

Attractive posters bearing the legend, "Food Will Win the War," were on display throughout the agricultural sections of the country. Prices were lifted, and appeals were made to the patriotism of the farmer, while production campaigns were waged in every nook and corner of rural America. Every possible effort was made by the Government to convince the farmer that it was his duty to expand his acreage, purchase improved machinery, and produce the largest possible amount of food. The farmers responded in the most magnificent manner to this call for increased production, and in addition furnished more than one-fourth of the fighting men for the Army. The food produced on American farms helped save the cause of democracy and bring victory to the Allies. This speeding up of production resulted in the accumulation of large supplies of foodstuffs which, after the close of the conflict, had to compete with commodities that had piled up in Argentina, Australia, and other distant lands, and which were now moved to the markets of the world.

#### HOW FARMER WAS DEFLATED

A crusade was launched through the office of the Attorney General to bring down the prices of farm products. Leaders of farmers' cooperative associations in many sections of the country were placed under arrest and prosecuted under the antitrust laws for trying to prevent price decline. Government stocks of food were advertised at bargain prices through the agency of the Post Office Department, and Government wool was sold at auction to the highest bidder.

All this was in marked contrast to the treatment accorded industry by the Government. After the war the Government paid claims aggregating more than \$500,000,000 to the holders of uncompleted war contracts. Approximately \$500,000,000 was paid the railroads for injury claims to their property, and more than a billion dollars worth of war supplies were left in France and sold for a song. But there was no indemnity paid to the farmer. To add to the difficulties confronting agriculture under these circumstances, the Federal reserve system inaugurated a policy of deflation through successive advances in discount rates. Hundreds of thousands of farmers went bankrupt through no fault of their own during 1921-22. With slight interruptions the agricultural depression continued until the crash of 1929. Since then what had been a depression has become a disaster.

#### OUR OLDEST UNSOLVED PROBLEM

The oldest unanswered problem confronting the American people is the farm problem. In the famous document submitted by Alexander Hamilton to Congress in 1791, he recommended a protective tariff as an agency of developing our infant industries and providing revenues for the Government. He also pointed out that tariff legislation might handicap the producers of raw material, especially agriculture. To correct this inequality, he recommended that a portion of the tariff revenues should be used as a bounty on agricultural exports as a means of offsetting increased costs to agriculture. Congress adopted the first portion of Hamilton's

recommendation, later adding provisions for the drawback and for manufacturing in bond so as not to handicap American manufacturers in their efforts to compete in the markets of the world.

Unfortunately the second part of Hamilton's recommendation, the providing of some offset or means of doing justice to agriculture, was not enacted. Thus, with this complement to our tariff structure ignored, we have maintained a lopsided policy, leaving the products of the major portion of the plow lands of the Nation without direct tariff protection.

The opening up of new and cheap land, the limitless fertility of our soil, and the improvement in agricultural machinery enabled the American farmer to hold the export market for approximately a century without serious difficulty. In the nineties, David Lubin, of California, founder of the International Institute of Agriculture at Rome and one of the foremost agricultural economists of his day, brought forward the framework of the export debenture plan as an aid in making the tariff effective on our surplus crops, but it was not adopted.

The struggle for the equalization fee, the determined fight made by the Grange in recent years for the export debenture, and the discussion of the domestic-allotment legislation in this Congress are all chapters in this century-and-a-half-old struggle to do justice and bring equality to the American farmer.

Ever since the first session of Congress our Government has been constantly tinkering with economic laws through patent grants, tariff acts, restrictive, permissive, and protective legislation, and during this century and a half most of these benefits have gone to others than the farmer. We have been spending hundreds of millions of dollars in river and harbor development. We have spent millions of dollars in locks and experimental barge service. Large sums are spent in lighting airways across the continent. High prices are given for the carrying of the mail in the hope of developing the merchant marine. The Government delegated some of its constitutional authority of issuing money to the national banks and the Federal reserve system. Our Government has granted the right of eminent domain, has given large tracts of land, and has set up special machinery for the development of railroads and interstate commerce. In the way of protecting our ideals, we have set up stringent immigration restrictions. Authors and inventors have been protected by copyright and patent privileges.

Thus for a century and a half our Government has interfered with the operation of economic laws, and in this program others have been benefited more than the farmer. In seeking to maintain on American soil a higher standard of living than obtains in the rest of the world, we have built such a fabric of protective, restrictive, and permissive legislation and administration that it can not be destroyed without affecting national welfare. Agriculture must secure the same privileges and opportunities that others enjoy.

Supporting figures to prove the necessity of lifting farm prices are unnecessary. However, I submit the fact that the value of our farms and their equipment shrunk from \$79,000,000,000 in 1919 to approximately half that figure at present-day levels. Farm income has declined from approximately \$12,000,000,000 in 1929 to \$5,000,000,000 to-day. The latest price index of the Department of Agriculture places all farm commodities at 51 per cent, and the things the farmer buys at 105 per cent of the pre-war level. In other words, the farm dollar to-day is worth approximately 49 cents.

#### STEPS FOR RECOVERY

The first step in the Grange program for stability and prosperity is lifting farm prices and increasing farm purchasing power. We have no choice in the matter. We are compelled to either demand the same type of price-lifting machinery and governmental assistance that is given to other interests, or we must seek a lowering of tariffs and a readjustment of all legislation granting special favors to other groups.

We must bring equivalent tariff benefits to surplus-producing commodities either through the export debenture, through a simplified domestic allotment, the equalization fee, or a combination of these methods. Foreign markets must be restored and new markets found. Through research we must develop new uses for farm products and guide production with intelligence and information.

Another step in lifting prices will come through reduction of distribution costs and in giving the farmer a larger share of the consumer's dollar. Cooperative marketing is yet in its infancy. The final solution of our marketing problems will not come until our major farm crops find their way to market through farmer-owned and farmer-controlled marketing agencies, beginning with the farmer-producer and approaching as near the ultimate consumer as conditions will permit.

The second step to bring stability to agriculture, the Nation, and the world is a stable and honest monetary system. Agriculture demands a dollar worth 100 cents, no more and no less. A dishonest dollar is one that requires more than 100 cents with which to pay a dollar's debt, or one that permits the payment of the same debt for less than 100 cents. Uncontrolled inflation will lead to greater suffering and disaster than deflation. We must recognize the fact, however, that we shall either reflate or repudiate. Inexorable economic laws require reflation of our volume of currency and credit, or the tragedy of bankruptcy and possible repudiation will stalk through the land.

#### IRON DEBTS AND RUBBER MONEY

Agriculture is suffering from iron debts and rubber money. What has happened to agriculture in the way of debt-paying abil-

ity at the present level of commodity prices is graphically told in the subjoined table. The Bureau of Agricultural Economics of the United States Department of Agriculture is authority for the statement that the farm barometer in January, 1933, stood at 51. Comparing to-day's farm prices with the former price index, the table below shows in terms of what the farmer has to sell just how much he has to pay in the way of farm crops for each dollar borrowed during each of the years indicated in the table.

A dollar borrowed in the year (if paid in January, 1933):

1916.....	\$2.29
1917.....	3.45
1918.....	3.92
1919.....	4.10
1920.....	4.02
1921.....	2.27
1922.....	2.43
1923.....	2.65
1924.....	2.63
1925.....	2.88
1926.....	2.67
1927.....	2.57
1928.....	2.73
1929.....	2.71
1930.....	2.29
1931.....	1.57
1932.....	1.12

(January, 1933, equals 100.)

The third step in our program is the reduction of interest rates, and providing an ample reservoir of credit to take care of the needs of agriculture in this crisis.

The wholesale foreclosures of farm mortgages which have been darkening our land and wrecking the homes and lives of our people must stop. The full power of the Federal Government must be invoked to bring this about in an orderly and effective way.

By reason of conditions for which in the main he is not responsible and which are utterly beyond his control, the American farmer to-day finds himself in the most difficult financial and economic situation that has confronted agriculture since the founding of the Republic.

The alarming increase of tax sales and foreclosures during recent months threatens the very foundations of American institutions. In the last six years every ninth farmer in the United States has lost his farm through mortgage foreclosure, tax delinquency, or bankruptcy.

The 1930 census indicates a farm-mortgage debt of about \$9,241,000,000, with an average rate of interest of 6.1 per cent. All other farm debts approximate \$3,000,000,000, and the interest rate on this additional debt ranges from 6 to 12 per cent. The total annual outlay for interest on the farm debt is more than \$800,000,000. The two chief cash crops of the American farm, wheat and cotton, were valued at approximately \$600,000,000 for the year 1932, a sum just about sufficient to pay the interest on the mortgage debt alone.

#### INTEREST RATES MUST BE CUT

A reduction of one-third in the interest rate on an amortized loan running for 33 years has the same effect as a reduction of more than one-third in the total face of the debt, and yet it will not adversely affect general security values. It is apparent that the farmer can not continue to pay 6, 7, and 8 per cent interest at prevailing commodity prices. Farm prices must come up or interest charges must come down, and the first step toward security is a 30 or 40 per cent reduction in interest charges to carry farmers through this period of ruinously low prices. This can be done through emergency loans, through the reamortization of loans, and through the postponement of principal payments. Legislation now pending providing for simplified debt composition commissions should pass.

The Reconstruction Finance Corporation act should be amended and at least \$500,000,000 appropriated to it as a fund from which farmers and small home owners can borrow at low interest rates to pay delinquent interest and taxes, thus preventing foreclosures and stabilizing rural conditions during this period of low prices. Our entire rural-credit machinery must be revamped, coordinated, and consolidated. It is unsound to have such a large number of scattered agencies making loans to agriculture. These should be brought under one head, providing a sound system of rural credit under cooperative farm control and providing:

(a) The unification of the two branches of the farm-loan system.

(b) The retirement of present farm-loan bonds and substituting low interest-bearing Government guaranty bonds in their place.

(c) Reduce interest rates on all farm mortgages from approximately 6 to 4 per cent or less.

(d) Provide an ample reservoir of credit to take care of the needs of agriculture and to provide for new loans for the marketing, producing, and long-time credit needs of agriculture.

This program will be of immense value to the Nation, stabilize real-estate values, which are after all the foundation of our credit structure, and do it without placing an undue burden on the Government or injuring any group.

#### OTHER NECESSARY STEPS

These three essentials of lifting prices, providing an honest dollar, and reducing interest rates are emergency steps that can not be postponed if agricultural conditions are to be stabilized. They

alone will not cure all farm ills, but they are fundamental to recovery and can be enacted into law at this session of Congress or in a special session later to be called.

A sound program of land utilization is essential to permanent agricultural recovery. We must recognize the conservational, recreational, and forestry uses of land, as well as that of producing food. Millions of acres of submarginal land should go into forestry.

Stability in our banking structure requires revamping and reorganization of the credit machinery of the Nation. One of the dark pages of the last three years has been the story of bank failures and staggering losses to depositors. We must give careful consideration and study to see if a system of Federal depositories can not be devised where the savings of the Nation will be safe and act as a Rock of Gibraltar in periods of depression.

It is apparent that there will be no stability or permanent recovery in prices until the discussion of foreign war debts is brought to a stop, and a definite policy is established. These debts are honest; they should be paid and should not be canceled. Nations that can not pay in full should be given credit on purchases of farm products or other commodities in the United States. Payments from the war debt should be used to open markets and promote international trade. However, America's greatest market is at home. Bring back the purchasing power of the millions of farmers and unemployed and they will absorb many times as much goods as was exported from the United States in our greatest year.

The farmers' crushing tax burdens are largely of local and State origin. Nevertheless agriculture is interested in economy and efficiency in government from top to bottom. Reorganization and efficiency in the Federal Government is essential. Hundreds of millions of dollars can be saved by further reorganization. Agriculture has as much at stake as any other group in this reorganization. We must demand that all departments dealing with the surface use of land be brought under the Department of Agriculture, so that land use, conservation, reforestation, and sound national development can go forward in harmony with present and future needs of agriculture.

The farmers' transportation costs are greater than his tax bill. Highway development has been of incalculable value to rural life and to the Nation. The farmer is entitled to the cheapest type of transportation that modern science can bring. Rather than burden motor transportation with unnecessary restrictions, we should remove limitations and burdens from the railroads. Highways, railways, waterways, and airways all should be available to serve the best interests of rural life.

In our program for the restoration of normal conditions, we must not lose sight of the fact that health, education, and research must not be crippled by unwise pruning. There are some things that the Nation can not afford to do without even in this period of depression. We must protect the opportunities of generations yet unborn and so plan our reorganization and readjustment that we will preserve the largest measure of opportunity to the future youth of the open country.

#### CONFIDENCE MUST BE RESTORED

One of the greatest causes of the continuation and severity of the depression is the loss of confidence of many of our citizens. While there have been disappointments, severe losses, and heart-breaking suffering, yet we must remember that the resources with which nature endowed us remain unimpaired. Many of us do not now have property that we once thought we had, but the resources of soil, forest, mine, lake, and stream all remain. Our factories, our public improvements, our transportation machinery are here to serve us. There has not been lost anything that will be fundamental to the welfare of America a quarter of a century or a half century hence, unless we permit ourselves to lose confidence, courage, and hope.

No amount of reflation or protective legislation, no amount of artificial stimulation will bring permanently better times unless we restore and maintain the confidence of the people of this country in our resources, in our Government, and in our ability to complete the task of readjustment and reconstruction.

Our difficulties are not insoluble. All necessary readjustments can be made if we have statesmanship and vision and at the same time recognize that the gravity of the situation calls for immediate action. A danger in this crisis is the constant tendency to look to Washington as a source of all relief, forgetting the power of individual initiative and organization and community self-help.

A hopeful sign of the present is found in the recognition of the American farmer of the power and necessity for organization. Since the National Grange was established in 1867, community helpfulness and the power of organized effort have been a continuing factor in rural development. The hour is at hand when farmers everywhere should join the farm organization that measures up to their ideals and should utilize the forces of education, organization, and cooperation in restoring and maintaining the morale, the courage, and the fighting spirit of the open country. We must guide our organized activities with the recognition that agriculture has a soul as well as a body and we must seek to touch those spiritual mainsprings that not only sustain in times of trial but build for the better days to come.

#### IN DEFENSE OF LOUISIANA

Mr. LONG resumed and concluded the speech begun by him yesterday, which follows entire:

Tuesday, February 21, 1933

Mr. LONG. Mr. President, I had intended to have something to say on yesterday as a matter of personal privilege relative to a few statements which have been issued by a gentleman who styles himself "General" Ansell relative to the Louisiana so-called-to-be election probe. I could not see my way clear to interfere with the relief legislation which was being considered yesterday, and for that reason I waited until I could secure recognition on the floor to-day to discuss these matters.

Mr. President, the Senate adopted a resolution providing for the appointment of a committee to investigate expenditures and irregularities in primary and general elections of last fall, and I think I voted for that resolution. I conceded that under the resolution a committee of the Senate had a right to investigate expenditures and irregularities in the primary and general election occurring in all States. The committee was called upon to go into several States, but went into the State of Louisiana only.

When the subcommittee first went there I asked that some showing of irregularity be required. The campaign opposition insisted that it could not make any showing of irregularity at the time, but that the Senate would have to send investigators there to prove the charges that they were willing to swear to, but which they could not offer one line to prove themselves.

#### NO PROOF OF FRAUD DEVELOPED

That was back in the month of October, 1932. Before that time a horde of investigators was sent to Louisiana—several of them, I understand seven in number. They investigated in the State of Louisiana through the months of October, November, December, January, and February—five months—and then another hearing was called. At the end of five months I asked, as a Member of the Senate and as a representative of the Senator elect—and the Senator elect, the Hon. JOHN H. OVERTON, made the same request—that if the hearing was going to be held in Louisiana we be given the report and the charges which we were supposed to face. I was informed by the chairman of the committee that the committee had decided not to make the report accessible to anyone. I therefore requested that we be given a bill of particulars and specifications showing what was charged (as a result of the five months' investigation with the people's money) to have been developed in the State of Louisiana. I was informed again that none such would be forthcoming. So I yielded to that position.

I was told by one or two members of the committee that they saw no reason why we should not be furnished with such report. I was told by the Senator from Alabama [Mr. BANKHEAD] that in his contest he was given the reports. I was assured by others that they would undertake to secure the same consideration for us as has been given in the Alabama and other cases. But I did not want to use my friends to the point where I thought it might be embarrassing to them, and I made no further request and yielded to the stand of the chairman of the subcommittee that no such information would be forthcoming.

So we went down to Louisiana, gentlemen of the Senate, after the State had been raked from center to circumference for five months, after every roll had been checked with Government money, after the State for five months had had from one to five newspaper reports in it every day that fraud was being discovered by leaps and bounds and merely awaited the coming of a senatorial committee to prove the disastrous calamity with which the investigation was then struggling.

#### RESCUED BY A BURGLAR

We waited five months. The committee saw fit to employ an attorney to assist it in developing the facts. They employed General Ansell, against whom no less report has been made than was made against Benedict Arnold the night he sold out West Point. They saw fit to authorize the chairman of the committee to employ an attorney, and I assume and believe the chairman acted in good faith and in good conscience in employing an attorney. The chairman sought

assistance and rescue in the employment of his counsel. He might as well have prayed for a burglar to have delivered him from a holdup on the highway at night as to have employed the Hon. "Gen." Samuel Tilden Ansell, concerning whom I will give some belated information as to his career.

The lately designated Samuel Ansell is the famous Grover Cleveland Bergdoll pot-of-gold attorney. He was the gentleman who practically forged his own appointment as Judge Advocate General in 1917. We have it here from the files of the Government that in the year 1917 this man Ansell went to the then Judge Advocate General, Mr. Crowder, and asked, in view of the very heavy work that General Crowder was having to do, if he (Crowder) would not recommend him (Ansell) to be appointed Acting Judge Advocate General. The War Department records show that General Crowder told him that he would have to make that application to the Secretary of War.

The next record of the War Department shows that this man Ansell went to the Chief of Staff and told the Chief of Staff that General Crowder had ordered him to issue an order naming him (Ansell) Acting Judge Advocate General of the Army, and that the Chief of Staff actually ordered such an order to be issued, which was discovered by General Crowder, Judge Advocate General, and the Secretary of War ordered it stricken from the file and not to be published, and demoted Ansell back to brigadier general, and there was no trial, for later he resigned from the Army.

Mr. President, Grover Cleveland Bergdoll was a draft evader of the World War, a very rich young man, the son of very wealthy parents, living in Philadelphia, or near Philadelphia. He was of German-born parentage, I believe, at least on the father's side.

Near the close of the war this draft evader was apprehended and arrested. He was found shielded with considerable artillery in his own house, and it was after considerable risk and effort that he was arrested. He was tried and imprisoned as a military prisoner at Governors Island, N. Y., and while he was in the military prison many efforts were made to secure his release through the courts and by various other processes.

It was along about that time that "General" Ansell, as he calls himself—and the Senator from Missouri [Mr. CLARK] disputes his right to that title—it was along about that time that Mr. Ansell was employed in the case.

Mr. Ansell had been in the War Department. He had been in intimate contact and close association with the War Department generals and subordinates who would have had the right to grant release to the prisoner if release could have been granted for any temporary purpose. It was through Mr. Ansell's connections with the men in the War Department, with whom he had been in close daily association, that Mr. Ansell, upon resigning from the Army, was able again to contact them so as to secure the release of the prisoner, Grover Cleveland Bergdoll, from Governors Island, for the purpose of his escape, as Congress so saw it through its committee.

#### THE "POT-OF-GOLD" ESCAPE

While General Ansell was in the Army he would have been subject to court-martial for his conduct, so the congressional committee reported, but he resigned and took the Bergdoll case, putting himself outside of court-martial before the "pot-of-gold" scheme was advanced by him.

Mr. President and gentlemen of the Senate, it was through General Ansell that there was hatched up the pot-of-gold story, the story that Bergdoll, who was a prisoner at Governors Island, had hidden \$150,000 in gold in the mountains of Maryland, and they wanted his release in order that he might go out and find the gold and bring it back, and it was stated that he would be returned to Governors Island.

The prisoner's release was secured through Mr. Ansell and the contacts which he had with men in the Army; and through the efforts of Mr. Ansell, under promises which he made, but did not keep and did not intend to keep, so the committee says, Bergdoll was allowed to escape. He never went within hailing distance of any mountains where he was

supposed to have hidden the gold, but he found his way into Canada and then found his way to Germany.

Mr. President, as the last part of the history, as the report which will be appended to my remarks will show, Bergdoll's escape was investigated by a committee of Congress, and they found and reported, as will be seen from the report which will be printed to-morrow morning at the conclusion of my remarks, that the master mind of the conspiracy and of the escape was Mr.—or "General"—Ansell, as he calls himself; and they found that the conspiracy was such that, while no punishment by court-martial could be meted out to Ansell for the hatched-up scheme and efforts which resulted in the escape of this prisoner, none the less, said the congressional committee, he ought never to be allowed to practice before a court or to appear before a committee of Congress or of the United States again. That is the report of the Congress I have submitted, which in detail goes further than I care to go at this time.

Mr. CLARK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Certainly.

Mr. CLARK. The Senator will recall that General Ansell's title is simply a courtesy title; that he was actually retired as lieutenant colonel in the Army.

Mr. LONG. He gives himself that title. I say that he has as much right to that as any other title. He has as much right to that title as he has to the title of honorable citizen. He has as much right to be called "General" as he has to be sent to the State of Louisiana, and I will show that in a minute. I will read the record, if that is disputed. He has been sent down to Louisiana. I will show in a moment what part his nefarious record has to do with what happened down in that State.

First I will read from the Literary Digest. They usually have pretty good logic when they are writing about me, my enemies will admit.

The Literary Digest's review of public act in Bergdoll case, September 3, 1921. Quoting from the Literary Digest, headed:

#### THE WIDENING BERGDOLL SCANDAL

More malodorous than ever, many papers agree, is the case of the notorious draft dodger, Grover Cleveland Bergdoll, as illuminated by the investigation of a congressional committee, the majority of which report finds that his escape was made possible by a conspiracy of Army officers, of which Brig. Gen. Samuel Tilden Ansell was the "master mind." "As the case stands now," remarks the Houston Chronicle, "the country is disgraced not so much by the way Bergdoll flouted its authority, but because there were so many pretended patriots willing to help him."

Quoting the Literary Digest further—

Both the majority and minority reports, the one signed by three members, of whom two are Democrats and the other by two Republicans, "support the reported boast of that fugitive that 'he made the Americans look like a bunch of boobs,'" says the Pittsburgh Gazette Times, "the Americans referred to being those who should have kept him safely in custody."

Quoting the Literary Digest still further—

While "there are many who participated in the conspiracy leading to Bergdoll's escape and the acquittal of those who brought it about," says the majority report, according to press quotations, "there are three who are more culpable than the rest." In this connection are named General Ansell, who was one of the draft dodger's counsel, Col. John R. Hunt, commander at Fort Jay, where Bergdoll was confined, and Col. Charles C. Cresson, who prosecuted Colonel Hunt when that officer was court-martialed. As for General Ansell, "he is now out of the Army," runs the report.

Then follows the report in these words:

He (Ansell) is beyond the jurisdiction of court-martial proceedings, but provision should be made against his future practice before any of the departments, before any court-martial, or in the courts of the District of Columbia, or the Nation above whose safety and integrity he has placed gold.

Instead of that, things lay quiet a while, and this year Mr. Ansell was called upon to go down to see if there were irregularities in the election of JOHN H. OVERTON. This man Ansell, recommended for disbarment, a scoundrel and a thief of the deepest dye and lowest order of crookdom, according to a committee of Congress, was sent down to

investigate the private life, not of OVERTON, not of BROUSSARD, but, as he construed his job, of a man who had been elected to every office within the gift of the people of the State of Louisiana—if it did happen to be me.

I want to give the Senate, before I go a little further into the conduct of this scoundrel, the advisor of the chairman, the select counsel of the chairman, picked by the chairman, condemned by the Government as a thief and a scoundrel and a crook—

The VICE PRESIDENT (rapping with his gavel). The Senator from Louisiana must not reflect upon a Senator.

Mr. LONG. I am not reflecting on the Senator. I am trying to tell the Senator who he picked and who guided him. He might as well have gone to the galleys.

Thereupon this investigation recessed, or rather proceeded into Louisiana under the guidance of Mr. Ansell. The chairman of the subcommittee, the junior Senator from Nebraska [Mr. HOWELL], and the junior Senator from Wyoming [Mr. CAREY] were the only members of the subcommittee present. The ruling of the Chair was, therefore, final. Nothing that he did could be undone. I, as a colleague in the Senate, approached the chairman, and I approached the Senator from Wyoming. I was told by the chairman that regardless of whatever anybody else thought, he was absolute in the premises. I thereupon knew that that meant that Mr. Ansell was absolute in the premises.

For many years, Mr. President and gentlemen of the Senate, the conflicts that I have had in the State of Louisiana have been known to the world. They are as well known, I hope, as almost any other ordinary political matters. In those conflicts, if I may call them such—and they are scarcely less than that—when I have managed to be affiliated with men and with women who were able to put out certain opposing candidates and to elect others, I have had to wake up in the morning to find that my enemies made dextrous moves.

#### CAN NOT REPLY TO OR ATTACK OWN BLOOD

I have had, Mr. President, a rather unfortunate political career. If I had my political career to start over again, with the disappointments I have had, I never would start it. I had to wake up in the morning at times and find my blood brother on the ticket of the opposition unless I was willing to support him myself. This record again tells the story that unless I was willing to go out and try to elect the members of my family to certain public offices, I had to be faced with every kind of a charge on earth made against me by my own blood.

I have never replied to those charges, Mr. President; I have never had to. In no campaign have I ever denied a charge they ever made, and in no campaign, public or private, have I ever made a charge against one of them, and if my public career depends upon making any answer, direct or indirect, to a charge that is made against me by one of my own blood, or depends upon my making a countercharge, I can go out of politics as quickly as I came into it, and probably would be better off by so doing. I can not attack my own blood.

But I had managed to keep the newspapers from printing those canards they would tell. Why? Because if the newspapers printed them, they were on their face libelous, and I would not have had to draw an issue between me and one of my own blood in a public court to have received vindication from it.

But oh, no; when Ansell came down there he brought my brothers into the senatorial inquiry and he put them on the witness stand under privilege where they could tell the damnable tales they had been telling, so that the newspapers could print them, and I was without the slightest opportunity of relief and could not go anywhere to obtain any vindication of any kind. It was not relevant to the hearing. They went back 15 years to permit these men to take the stand and swear to canards they had told the electorate of that State in order that they could be printed in the newspapers of this country, and I would be remediless against that kind of attack.

## SENATOR HOWELL'S MISTAKE

What did that have to do with this case? Do not think I am misstating the issue. I am ready to prove what I say from this record. I do not blame the Senator from Nebraska [Mr. HOWELL]. He is a layman; he is not a lawyer; and when he got in the hands of Ansell, if he ended with any less results than Bergdoll did he was fortunate. If Bergdoll, through Ansell, put out that pot-of-gold story and left this country through that device, then the Senator from Nebraska [Mr. HOWELL] has exhibited an unusual and cold intelligence not to have done as badly as Bergdoll did, having been under this man's tutelage for 14 days while they were away from home.

I want to read to the Senate how this proceeding went on. Here [indicating] is the testimony of a witness called to testify, Mr. President and gentlemen of the Senate, about an election that occurred in September, 1932. Here is testimony relative to that election as the committee received it after they had been proceeding for about 9 or 10 days. Speaking about me, the witness says—and I quote from his testimony:

I had him to move to Shreveport in the fall of 1918 for the purpose of establishing a law practice—

Speaking about me—

He did not establish it until I went there and practiced with him in December 1, 1920.

That was just 12 years ago. They are getting up rather close to the election.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. CLARK. Is that part of the examination in chief or cross-examination?

Mr. LONG. It is the examination in chief. I was told not to interrupt this testimony. This is one part of it. Wait until I get down to the hard-boiled goods in this thing. [Laughter.]

I am going to read again from this testimony. This is the trial of the Overton-Broussard election as it has been conducted at an expense of \$25,000 and five months' investigation in Louisiana:

I had him to move to Shreveport in the fall of 1918 for the purpose of establishing a law practice. He did not establish it until I went there to practice with him, December 1, 1920.

If I am not talking loud enough for the junior Senator from Nebraska [Mr. HOWELL] I will move closer.

The first month we took in \$7.50.

"He and I practicing law," that is a part of the Overton contest, and the committee are getting up to within 12 years of the time when the election occurred, and that is closer than they got most of the time.

After I got there the practice grew rapidly, but no more so than Huey's chest. The result was we had to dissolve.

This testimony occurred while the committee was investigating the election contest of JOHN H. OVERTON, who was elected in September, 1932.

A few months after that dissolution I became the most active attorney in defending him against charges of slander and libel in Baton Rouge, La., sworn out by Governor Parker.

When he ran for governor in 1924 I supported him.

I will now skip about seven pages and see then how the committee are getting along. I read again from the testimony of the same witness.

On his platform for governor he promised the laboring people of this State a reasonable workman's compensation act. He did not do anything of the kind. He absolutely ignored that.

We are now up to 1923; we are getting along better; we are within nine and a half years of the day the election took place.

Mr. CLARK. Is that still the examination in chief?

Mr. LONG. This is the examination in chief, and no interruptions were allowed. I did not interrupt the witness nor cross-examine him.

I saw telegram after telegram. We wrote him and never a response to that firm, sound pledge he had made to the laboring people of this State.

## IRRELEVANT ATTACKS

I skip now about 10 more pages to see how far the committee have gotten in the direction of the Overton campaign in the Broussard race. The newspapers were taking it all down and printing every word of it. The committee took one day to a witness. "Great fraud developed," said the newspapers, that I had fought down there for 20 years and beaten them practically solidly for 20 years. Then the witness goes on, the testimony still being under examination in chief.

He took—

That is when I was governor; the committee finally got up, on page 2010, to when I was governor—

He took \$1,800,000 at one time out of the highway fund illegally and bought a piece of land worth about \$200,000 in order to give them that money—

Referring to the Louisiana State University—

He used most of that money in building a competing medical college. \* \* \* He had no word of law or no letter of law. He went in there and took that \$1,800,000 of the people's highway commission fund and gave it to the school in order to promote himself to that extent.

The committee are now getting up to within three or four years of the Senate race. The testimony was given notwithstanding the fact that the matter had gone to court and that the courts of the State had adjudicated it legally, without appeal. I will not read further from the testimony of this witness, but practically not a word of such a thing as evidence was even undertaken by that witness in his testimony, a witness who was brought on to the witness stand for no other reason on earth than that he happened to be a brother of mine.

Now I come to the Ku-Klux Klan part of it. The attorney, Mr. Ansell, decided he would go into the Ku-Klux Klan. I quote from the testimony:

Mr. ANSELL. Do you know whether Senator Long is a K. K. K. man?

That, gentlemen of the Senate, was the question of the attorney of the committee in the Overton-Broussard contest down in Louisiana.

A Ku-Klux Klanner or not.

The witness answered:

I do not think he was a K. K. man; that is my idea; he was not. Mr. ANSELL. Did he represent himself as being such?

He was talking about 1923, 10 years before the election.

Mr. LONG. He did at one time.

Mr. ANSELL. How did he so represent himself?

The witness answered:

In his campaign for governor in 1924 he sent out quite a lot of bogus information showing that HUEY LONG was a cyclops or something else.

[Laughter.]

The chairman became interested and examined the witness a little bit along that line.

Here is another one of the main witnesses. This gentleman had run for mayor and been beaten, and he had been beaten for chairman of the public service commission. He was called to the witness stand, so the record shows, and he testified for nearly one whole day, or at least the better part of a day. Finally I said to the chairman:

Mr. Chairman—

This is the substance of my remark—

are we not ever going to try the Overton-Broussard election contest? This is not according to my idea of matter which is material.

Mr. Ansell got up then and said:

In view of those facts—and they are facts—shall I be required to measure up to any requirement as to materiality—legal materiality—any technical rule as to pertinency? If so, this investigation in this atmosphere with this machine in control ought never to have been started. The money would be wasted.

Mr. CLARK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Yes, sir.

Mr. CLARK. Is it a fact, as reported in the public press, that public funds appropriated by the Senate for the use of this committee were actually expended by Mr. Ansell in pursuing an inquiry on the question of whether or not the junior Senator from Louisiana had Indian blood in him?

Mr. LONG. Yes, sir. Oh, yes; I will get to the Indians. They took time to chase that down. Yes; they investigated whether I was a member of the Ku-Klux Klan, whether I had Indian blood, what I promised when I ran for governor, and went back to the railroad commission rates of 1918. Oh, yes; the whole thing, you know, had to be gone into.

#### SUPREME COURT RULING DEFIED

This man Ansell actually got up and said that if he had to measure up to any such thing as a rule that the testimony had to be either material or pertinent, the investigation ought never to have been started; that the money had been wasted.

We thereupon read from the Supreme Court of the United States. It did not do any good. It was useless to read it. We might just as well have thrown water on a duck's back in the springtime. We read this in view of this statement of this pot-of-gold attorney of Bergdoll, who was recommended for disbarment, who was found by the congressional committee to be a thief and a crook and a scoundrel, who had practically forged a commission in the Army and had to get out for doing it, who had put up that story, Mr. President and gentlemen of the Senate. This man Ansell wrote a letter in which he said that Grover Cleveland Bergdoll, at that time incarcerated in the United States jail, had hidden \$150,000 in gold in the side of a mountain over in Maryland, and that if they would turn him out of the Army Bergdoll would go over there and get the gold that he had hidden, that nobody knew where this pot of gold was but Mr. Bergdoll, and that he would be responsible for his safe custody, and would go himself, or would have another lawyer go, with a guard, and get the gold and bring Bergdoll back to jail.

According to this pot-of-gold tale of Ansell, in his letter quoted by the House investigating committee, this \$150,000 was supposed to have been hidden in one iron chest. According to the United States Bureau of Standards, it would have weighed about 550 pounds. This chest of gold Mr. Bergdoll was supposed to have taken his lone self and hidden in the mountains, and he was the only man who knew where it was; and Mr. Ansell, who had been in this office, according to this committee, schemed around and lied around and crooked around until he actually got Bergdoll out of that jail and then he got him into Germany!

This man Ansell, by reason of such Bergdoll fame as he had acquired, said to the chairman of this Louisiana proceeding:

If I have got to live up to any such requirement as materiality and pertinency, this investigation ought never to have started. The money would be wasted.

He was listened to a great deal more than the United States Supreme Court when it said this:

By our opinion—

Said the Supreme Court—

decided since the indictment now before us was found, two propositions are definitely laid down: "One, that the two Houses of Congress, in their separate relations, possess not only such powers as are expressly granted to them by the Constitution, but such auxiliary powers as are necessary and appropriate to make the express powers effective; and, the other, that neither House is invested with 'general' power to inquire into private affairs and compel disclosures, but only with such limited power of inquiry as is shown to exist when the rule of constitutional interpretation just stated is rightly applied." And that case shows that, while the power of inquiry is an essential and appropriate auxiliary, to the legislative function, it must be exerted with due regard for the rights of witnesses, and that a witness rightfully may refuse to answer where the bounds of the power are exceeded or where the questions asked are not pertinent to the matter under inquiry.

And that case shows that while the power of inquiry is an essential and appropriate auxiliary to the legislative function, it must be exerted with due regard for the rights of

witnesses, and that a witness rightfully may refuse to answer where the bounds of the power are exceeded or where the questions asked are not pertinent or relevant to the matter under inquiry; but that rule did not apply. The counsel stated that he could not comply with any such thing as the testimony being either relevant, material, or pertinent to the cause under inquiry; and, despite the ruling of the United States Supreme Court, they went again into the inquiry into the private life of a man who was not a candidate in the election that was under investigation.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATFIELD in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Yes, sir.

Mr. CLARK. Is this the same Ansell who abused such public servants as William H. Taft and Newton D. Baker and Enoch H. Crowder like horse thieves, and who was scathingly rebuked by a committee of the American Bar Association for his conduct?

Mr. LONG. Yes, sir; he is the same bird. [Laughter.] After he had been practically run out of the Army for fraud, when Judge William H. Taft saw a charge made against the administration of Newton D. Baker in the Democratic administration, Judge Taft, who had been Secretary of War, thinking it was his duty to do so as a good citizen, in the interest of this country, gave information to show that the scoundrel was an infamous liar; and he came out and denounced Judge Taft and everybody else within range. He was hiding his tracks then, as he is now.

Then he went down in Louisiana to investigate me, with \$25,000 placed at his disposal. He came back up here the other day and issued a statement and said that he had quit. He issued a statement containing all kinds of attacks, so I understand—I have not the right to use the statement—all kinds of attacks.

#### CHARACTERS REBUKED BY THE PEOPLE

In order that I may show this thing up a little differently, he put on the stand this man who had run for mayor, a man by the name of Williams. He had run for mayor of New Orleans, and he had been beaten for mayor. He had lately been deposed as the chairman of the public-service commission. He claimed to be a campaign manager for the opposition in a number of wards in the city. He was called to the stand. He testified that they beat up men by the score on the day of election; that they arrested them by the score; that they stole votes by the thousands; that they bought the commissioners, and paid them money. Oh, he testified to a list of crimes that would have been sufficient to put all the 2,000,000 people in Louisiana in the penitentiary if one-tenth of it was true. Then, after all of his testimony he was allowed to testify not only what somebody had told him but what somebody told somebody that told him, what he believed, what his opinion was—then, after he had gotten through with nearly a day's testimony, he was asked these questions, but meanwhile all he had said had all gone out in the newspapers. It had been read all over the United States under a privilege given to him by Ansell, through this committee. Then, after being asked all those questions—the day's testimony was gone, and the newspapers were out in which he had charged thievery, banditry, stealing, robbing—I was given about 20 minutes of the afternoon of the day. This was on cross-examination:

Senator LONG. How many people did you see arrested on the day of the Broussard-Overton election?

Mr. WILLIAMS. I was in charge of the—

Senator LONG. Wait a minute. I ask, Mr. Chairman, that this witness answer the question, How many people he saw arrested? I do not want anything but that. I will ask him how many people he personally saw arrested and that is all. That is all I am asking him.

Mr. WILLIAMS. I did not testify I saw anybody arrested.

Senator LONG. Did you see anybody arrested?

Mr. WILLIAMS. No; I did not.

Senator LONG. Did you see anybody paid any money?

Mr. WILLIAMS. I did not. I got an affidavit of a man who does say so.

Senator LONG. Now, I am asking this witness if he saw anybody paid. That is all I want him to answer.

None of those things that you testified to as to people who were arrested or people who were paid money did you see yourself?

Mr. WILLIAMS. None of what things?

Senator LONG. None of those things about people who were arrested or people who were bought. None of those things you saw yourself, did you?

Mr. WILLIAMS. You mean, did I see anybody get arrested?

Senator LONG. Yes.

Mr. WILLIAMS. No. Did I see anybody get any money? No.

Senator LONG. Then, all of those things you have previously testified to as having seen done as to people being arrested and people being bought, those are not of your own personal knowledge?

Mr. WILLIAMS. I have on file affidavits which are the basis of my statement.

And, Mr. President, they were allowed to put on the witness stand this man Williams, who, at the conclusion of his testimony, swore that he had not seen anything, that he had not heard anything, that he did not know anything; but that was after they had given a privilege to the newspapers of this country to print one volume of testimony that I will now show you was as false as the coinage of hell itself, and everybody knew it at the time. Here is the proof of that:

#### UNFOUNDED PERJURY

This man would swear to anything on God's earth. He did not have anything to hold him. He was swearing that he did not see it. He was swearing that he did not know it. He was swearing that there was nothing that he saw, heard, or by any sense of understanding or knowledge could possibly give before that committee or before anybody else; but he was given a day's time in which to do that, and in a few moments in the afternoon, though as to his testimony in chief no one has ever seen it denied up this way, at least, he said that he knew nothing about it, and made no denial of the fact that it was false, as I will now prove by the record.

Twelve days elapsed. I will discuss in just a minute other things in this record which could be said to be relevant to this case. There was a little stuff that would have been perfectly all right and legitimate inquiry. We indulged this thing, hoping that he was coming around that way. The thing went so far that citizens of that country went in to see judges of the United States court to ask what they ought to do, and I am informed, though I do not know it of my own knowledge, that those judges went out of their way, because the circumstances required it, to suggest that such persons tell the United States attorney about it, and that he ventured to tell the chairman of that committee in there that he could not put that kind of a thing over in a civilized community, and he did not pay any more attention to it than if he had not been told at all.

Mr. HOWELL. Mr. President, will the Senator yield?

Mr. LONG. Yes; I will yield to the Senator. What does he want to know?

Mr. HOWELL. I want to state that no judge in Louisiana called upon me to go into conference with him, and that the statement which has now been made by the Senator is absolutely without foundation.

Mr. LONG. I said the district attorney told the Senator.

Mr. HOWELL. The district attorney?

Mr. LONG. Yes; Mr. Edwin E. Talbot, the district attorney, told me he told the Senator, and I believe he told the Senator.

Mr. HOWELL. The United States district attorney sent word that he would like to see me. He said that he had been called upon by Senator Long and several others for an opinion; that he did not want to get into this matter, and he wanted me to understand that he did not want to have any part in this matter. That was my understanding of all that he said to me, and I told him that I thought it was perfectly proper if Senator Long wanted to talk with him; but he gave me no admonition whatever, nor did he state to me that I should not do this or that I should not do that.

Mr. LONG. Did he not tell the Senator that he could not have him or anybody else put a man in jail for not answering irrelevant and impertinent questions there, and that he could not be expected to do anything of that kind? Did he not tell the Senator that?

Mr. HOWELL. He said, "I have been asked if this committee could put anyone in jail," and he said, "What is your view about it?" I understood it was an inquiry. I said, "This committee has absolutely no authority of that kind." I said, "All this committee can do is to report to the main committee in Washington, and that main committee would report and recommend to the United States Senate; that the United States Senate is the only body that might act to have some one prosecuted even for perjury, before the committee."

Mr. LONG. The Senator has not answered the question. Did he not tell the Senator that the inquiry had to be on pertinent and material matters?

Mr. HOWELL. He did not say so. He did not advise me as to how the inquiry should be conducted. He simply called me in there to assure me that whereas he had been importuned for opinions, he wanted me to understand that he was not interfering with this committee.

Mr. LONG. That is not the information I got. Of course, I take the Senator's word. The information I got was that the district attorney was asked by other authorities than me to call in the chairman and to tell him that he could not call those witnesses there and ask them to go back 18 years into their private records and into their private life and into the private life of somebody else and expect to have any court on earth stand behind that, and that he had no such authority under the law. That is what I was told the Senator was told.

Mr. HOWELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. LONG. I yield.

Mr. HOWELL. I want to make it very clear again that I received no admonition whatever from the United States district attorney or from anyone else while I was in New Orleans.

Mr. LONG. Did the Senator receive the statement from the United States Supreme Court that it had to be material and pertinent? The Senator got that from me, did he not?

Mr. HOWELL. A statement was handed to the chairman during one of the sessions of the committee.

Mr. LONG. Did the Senator read that?

Mr. HOWELL. I have it now, at present.

Mr. LONG. Did the Senator ever read it?

Mr. HOWELL. I read a portion of it.

Mr. LONG. Read a portion of it! At any rate, Mr. President, I have the highest respect for the intellect and good motives of the junior Senator from Nebraska. He has shown a motive that is very high and an intellect that is above that of any test. He has shown the power to come out of this situation with Ansell much better than Mr. Bergdoll did and with a more reasonable story. [Manifestations of laughter among the occupants of the gallery.]

The PRESIDING OFFICER. The Senator will proceed in order.

Mr. LONG. I have the highest praise for the Senator. I credit him with every motive pure, and I am confident that had the Senator had any counsel who would have advised him the same as any other layman in his condition, that the Senator's attitude would have been entirely opposite to what it was. I do not blame the Senator. With Ansell running the legal side of the matter and advising a layman what to do, I do not blame the Senator for it. With Ansell assuring him that he was leading up to something all the time, I can see how the Senator was beguiled. If Ansell was able to put over that pot-of-gold story, and make somebody believe that a man had hidden \$150,000 in gold, and that he was getting him out of the "pen" so that he could go over and get the gold and then put him over in Germany—if Ansell could do that, what could he do with somebody out of the United States Senate under such circumstances, anybody, whether it is the Senator from Nebraska or myself, or anyone else?

Along what lines did this matter proceed? I hope I have not gone too far quoting the facts about the things of which I have been reading—that is, that we inquired into the rail-

road commission race of 1918, into the governor's race of 1923 and 1924, into the governor's race of 1928, and into my race of 1930.

#### OUTSIDE QUESTIONS

That is not all. I am not going to read all of it, because what I state now is not nearly so far-fetched as what I have already read. They went into a trial of the session of the legislature of 1930. They went into a trial of the impeachment of 1929, when I was summoned up for impeachment as governor. They went into a trial of the legislature of 1928. They went so far as to try to prove that laws had not been passed on elections, and that the responsibility for laws not having been passed fell upon the governor because the legislature did not do it; and because the legislature did not do it, that the governor was responsible; and because the governor was responsible, that I was responsible; and because I was responsible, that the Senator elect was responsible. They tried to prove as a fact that a bill had been introduced in the Legislature of Louisiana which had failed to pass.

That is not all. Let me tell the Senate what they tried out for three days, and if I make any misstatement of the facts I want to be corrected. Let me tell the Senate what they tried out for three days.

In the year 1929 a constitutional amendment had been adopted by the electorate of the State of Louisiana providing that bonds could be issued to build eight bridges across navigable rivers in Louisiana. That was in 1929.

It was subsequently found that an amendment had been made to that bill between the two houses. It passed both houses by the two-thirds majority requisite before the people could vote on it, but an amendment was made in the house bill in the senate, and when it came back to the house for concurrence only 59 members were present, all of whom voted for the amendment. But there were not 67 men there, and the question arose as to whether or not the amendment was valid, inasmuch as there were not two-thirds of the members of the house of representatives present when the senate amendment was concurred in in the house. Therefore, the validity of the act, though it was ratified by the people 30 to 1, was somewhat in doubt. I am telling the Senate what they tried out.

This amendment was adopted in 1928. It had happened that, while I was governor of the State, Senator-elect JOHN H. OVERTON had submitted a bridge proposal to build those bridges in the form of toll bridges until we could get through an amendment to buy them, agreeing to build them for less than our estimate was. After they had made their proposal for these bridges to be built as toll bridges until we bought them, the provision was that whatever they bid would be advertised to the public, and the contract would be awarded to the lowest bidder.

It happened that that contract never was consummated, not because I did not favor it—because I did—but because the highway commissioners did not want a toll bridge to be built State owned—private owned, whether it was to be taken over or not, they were against the policy altogether.

Three days' time of this hearing was taken up going into the matter of whether or not in 1929, three and a half years before the election, there had not been a toll bridge proposition submitted, what the details were, and what was my attitude on it, and what was everybody else's attitude on it, notwithstanding the fact that the toll bridge contract was not even finally let. That thing was advertised all over the country as though it was a terrible calamity, and this is what they did. They waited until the very eleventh hour, until finally, by accident, one of their own witnesses read the letter that the contract had to be advertised and let to the low bidder, and the right given to purchase it from the low bidder for the cost of construction plus 6 per cent interest per annum. Three days of the \$25,000 time was taken up with that.

What was the balance of this case? The balance of this case was this: They went into a trial of the campaign of 1930 when I was a candidate against Senator Ransdell. They went into a trial of dummy candidates. We thought that matter would be very quickly disposed of and tried to

admit anything on earth they wanted to put out about the system of dummy candidates. We tried to admit that they had voted them, that we had voted them, and proved they had filed them, but I want to read what their arbitrator swore after we had gotten to the matter of the dummies.

#### BROUSSARD'S REPRESENTATIVE'S TESTIMONY

I want to read the testimony of Mr. Viosca, the arbitrator of the opposition. After 12 days had been consumed, we were given two hours. We want to thank the chairman for that two hours. They did not have to give it to us, and we appreciate the two hours we were given. It was rather generous, and we realize that it was strictly within the discretion of the Chair whether we were to be given any time at all or not.

This is the testimony of the arbitrator, Mr. Viosca, a partner of J. Y. Sanders, who was the gentleman who led the opposition at the Chicago convention to unseat me and the delegation of which I formed a part at the time when we nominated Roosevelt for President. He said:

I served as a member—in fact, the chairman—of the arbitration election committee.

I want the Senate to notice this in connection with the hearsay testimony of the witness, Williams, that I told about a moment ago.

Senator LONG. I will ask you to please state if you had the assistance of the police force of the city of New Orleans and others cooperating with you on that day.

This is the opposition arbitration commissioner who was made chairman of the election arbitration committee in the senate election that day.

Yes. On that day we had several problems that came up that required communication with the polling places, and the only means of communication we had with those places was through the police department. Chief Reyer was telephoned to on a number of occasions by a member of the committee.

He went on to state they got good cooperation, and that so far as he knew all of their messages were delivered to the various polling places.

I shall not read the testimony of this witness. This man swore that he had been the opposition arbitration commissioner in that city in many elections before that time. He swore that on that day they put them in the mayor's parlors at the city hall; that they gave them absolute, complete cooperation and conformed to every request that was made; and that everything he wanted to do had the unanimous backing of all the other arbitrators. He said it was the quietest election that was ever held, and that there were no arrests made or any disturbances on the day that were reported in the newspapers the next day, or to the police headquarters, that they did not handle in accordance with what they thought to have been fair to the candidates on that day.

But they put this man Williams on the witness stand, who swore that he did not even know there was an arbitration commission in the city hall. In order to show how far the arbitration committee went, I put into the record there that this arbitration committee had gone far enough in other elections, even to take boxes out of the hands of the commissioners and promulgate the election over in the police station and count the ballots themselves, and that they had been upheld in that kind of a proposition when there was danger of the thing not going right. Mr. Viosca, the Broussard arbitrator, testified there page after page that there had not been 10 per cent of the complaints in the Broussard-Overton election that had ever occurred in any other election held in the city of New Orleans within his memory; that there had not been 10 per cent of the complaints made that day that had been made in any other election before that time.

Yet the testimony of this fellow Williams, and of many other witnesses like him, hearsay, double hearsay, and opinion from beginning to end, was offered in the record of that case by the page and by the volume, notwithstanding the fact that the arbitrator who had absolute personal knowledge of the entire matter and was handling it on that day, who was serving in the cause of the opposition to our forces,

testified leaf by leaf and page by page that none of that double hearsay opinion testimony was worth the air that it had taken to breathe it into the election probe.

#### FIGHTING THE DEVIL WITH FIRE

The next thing I want to discuss is the matter of dummy candidates. One of my good friends in the Senate may have said—I doubt if he said it—that probably I had done good work with bad instruments, rather indicating perhaps that some of the good we had done had been done with the weapons of the devil. I do not think any direct statement like that was made, but at least somewhere in the air I got the intimation that maybe we had done the work of the Lord, but with the instruments of the devil. I want to show where the instruments came from.

Mr. President, I got interested in the politics of that State many, many years ago. I got beaten a good many times. I took my beatings. Whichever side I was on was the side that was bound to be beaten. If a man wanted to know who was going to be beaten, all he had to do was to find out who I was supporting and he would know.

Two things have been brought up in this election probe, and I now revert to the only thing that, topside or bottom, touches within 14,000 cubic feet of the matter of inquiry. Two things were brought up—the matter of election expenses and the matter of commissioners of the polls. Under the heading of commissioners of the polls was brought up the question of what are known as dummy candidates.

There were no such things as dummy candidates for the United States Senate. A dummy candidate is this: A system has developed in that State going back so long that the memory of man runneth not to the contrary, by which opposing factions have entered candidates for various offices that they knew were not going to participate really in the election. This was done for years before anybody here ever heard about Louisiana politics.

We do not have the commissioners appointed by the State authority. If we did, our faction would appoint them all, and the other faction would appoint them all when they were in office. That is the system in use in most States, I believe. A state-wide board of appointed election commissioners, and they appoint commissioners for the election. But our State abolished that system. It was done by men who thought more about it than I have ever thought about it. We have there this other system. Every man who is a candidate for a local office can put up the name of a prospective commissioner of election to be drawn out of the hat. If there are 16 candidates, and only 1 for the school board or 2 for the school board, then the school board should draw them all because they are local. But if there is no school-board candidate, then there would be a congressional or railroad commission candidate or some senatorial candidates, and they would put in the names for the prospective list of commissioners.

For more than 30 or 40 years that has been done. Opposing factions have gone out and gotten 3 or 4 men to file for the school board, 3 or 4 men or even 10 men to file for Congress, and they would put names in the hat from all the candidates, and draw for the commissioners of election. Those not commissioned as election commissioners were commissioned as watchers at the polls to see that things went right.

In this last senatorial contest, BROUSSARD against OVERTON, we were opposed by the Sullivan-Williams faction. The Sullivan-Williams faction was behind the Broussard campaign and we were behind the Overton campaign.

Mr. President and gentlemen, I read this to the committee down there. In 1922 this matter went to court. The Senate has been told by this man Ansell that the whole judicial structure of Louisiana is rotten from top to bottom. He has come back here and said that the courts of Louisiana are in the hands of HUEY P. LONG; that it is a rotten, damnable controlled corrupt polluted condition of the judiciary from top to bottom, particularly the supreme court. They make no more bones about saying that every man sitting on that court is rotten, crooked, and corrupt than they do

about taking a drink of water in the spring time—boldly and openly—and the people have to stand for it. They could not help themselves down there. They had to stand it for a while.

Mr. President, seven members of that supreme court, all of them elected for terms of 14 years apiece, were elected before I became anything like a political factor in Louisiana, all except one, and I helped to elect him, and he is the one that decided against me. The only one that was ever elected after I was a political power at all in the State of Louisiana was Justice Odom himself, and he decided against me one time, and when I was on the other side he decided against me the next time. He decided in favor of dummies when I was trying to keep them out, and against dummies when my side was trying to put them in. That is the only one I had anything to do with since I became governor, and certainly they will not complain about him. He was the judge to change his mind in the case. The judges of the supreme court of that bench are elected for a period of 14 years. Ansell says they are in the control of myself and my friends. They were elected to the supreme court before I was ever heard of as a general political factor in the State of Louisiana. They will go off of the bench on a pension for life when they get ready to retire. I do not think there is more than one man on the bench who went on there before I was elected governor that does not go off the court on his retired pay whenever he gets ready to go and does not have to fear any man on God's living earth. He does not have to fear us anyway, because we have stood for the reelection of every judge on every court in that State. We have never opposed a judge on the bench. We have stood for the reelection of school boards and of the courts, and never allowed them to get into politics; but if we had, they would have been safe anyway.

In 1922 this dummy candidate matter went to court. Who carried it there? It was the Sullivan faction that helped to oppose us in the last election. Here is a quotation from the newspapers. The Sullivan faction, in charge of the Broussard campaign in 1932, is the outfit that won this lawsuit in 1922. Here it is:

Dummy case goes to high court. August 17, 1922. Supreme tribunal to pass on Judge Skinner's jurisdiction.

The case went to the high court. The report goes on to say that the Sullivan faction which supported Broussard won, Williams himself on the witness stand admitting that he, having testified that the dummy candidate business was a malicious practice, admitted that he was a candidate in 1922 when his crowd put these dummies in and won out in court. Williams testified that he was good at that dummy business himself. This holier-than-thou gang they had up there, that we have put out of every office that they ever held or ever will hold, is a gang that this Senate could not elect to office if it tried—and nothing that can be done here in Washington can restore that gang. You could not do it, Members of the Senate, to save your lives.

Williams was asked the question, "You have admitted that you put in some twenty-odd dummies in the last election?" and he said, "Yes; self-defense dummies."

He filed 20, but back in 1922—this was in 1931 and 1932 he is talking about—when they filed dummy candidates the anti-Sullivan crowd, what would have been called the regular crowd which is with us now, went to court to get the court to disqualify those dummy candidates on the ground that men had filed as candidates for office that did not intend to run in order that they might participate in the drawing of election commissioners. But the supreme court said "no." It said the court was without jurisdiction, that it could not meddle or intervene. That was the decision of the supreme court. Who was the organ of the court? Judge Ben C. Dawkins, whom President Coolidge appointed United States district judge for the western district of Louisiana, confirmed by this Senate. They brought in the fact that the Senator elect had a brother on the Supreme Court of Louisiana, Judge Winston Overton. The Senator elect did have a brother on that court. That brother was on the court in 1922, and was one of the seven judges who decided

that they could not disqualify dummy candidates; that the court did not have jurisdiction of the election question. That is not the only time he was on the bench.

In 1927 I went to court—I say “I went to court”—my little crowd went to court; we went to court to try to disqualify a man by the name of Melerine, and again the court said that the court could not take jurisdiction of that question at all; that it had to be placed before the committee and that the committee controlled it. In 1931 I was one of those who went to the court again, and again the Supreme Court of Louisiana, in the case of Hinyub against the Parish Democratic Executive Committee for the Parish of Jefferson, laid down the law, and I lost the case by a vote of 5 to 2 in the supreme court. In 1931 the supreme court, speaking through Justice Odom as the organ of the court—the only judge who was elected to the supreme court since I have been Governor of Louisiana who was not a member of the court previously—said, “It is not a matter that can be brought to the court.” I lost that case by a vote of 5 to 2. I lost the Melerine case by a vote of 6 to 1. In 1922 the case grew out of a writ granted by Judge Ben C. Dawkins, without any dissent at all; and in 1932 what were we to do? Were we to sit down with that gang of scalawags that had beaten us in three lawsuits and not “fight the devil with fire”? Were we to go down there, with Sullivan winning in 1922, winning in 1927, and winning in 1931, beating us in three straight lawsuits, the court holding that nobody on the living earth could question those candidates; that once they filed and paid their filing fee they had a right to participate in drawing those commissioners—when we had tried to beat them in three lawsuits and had lost out in the three lawsuits, were we supposed to stand there and not abide by that ruling of the court and “fight the devil with fire”? Yet that is the big point that they have made in this case.

Yes; the candidates on both sides filed dummy candidates. There was not any dummy candidate filed for the United States Senate; no; but there were dummy candidates filed for the school board and there were dummy candidates filed for Congress and there were dummy candidates filed for railroad commissioner. However, we did not lead in it. They filed as many as we did. We have photostatic copies of the filings, and they are in the record in this case, showing that they filed as many as 19 candidates in one little ward at one time for the school board where but one man was going to be elected; and they kept those candidates in the race until the time for drawing the election commissioners was over, and then they withdrew them and they got their money back. We have proved that they had a dummy candidate for railroad commissioner; we proved that they always had dummy candidates there; we proved that we had gone into court, and in each one of those cases Judge Winston Overton, the brother of Senator-elect JOHN H. OVERTON, had decided against his brother's faction every time in favor of the dummy candidate ticket. Every time we went to court the judges of the supreme court, including Justice Winston Overton, decided that the court did not have jurisdiction to contest the right of the dummy candidate to file and participate in drawing the election commissioners, and Judge Winston Overton stood up with them and decided against his brother's side of the case in 1922, in 1927, and in 1931; and yet in the year 1932 this pot-of-gold character named Ansell has tried to make a veritable lion of skullduggery out of Justice Winston Overton because he decided the same way in 1932 that he did in 1931 and 1927 and 1922. He did not say anything against the only justice of the supreme court who changed his viewpoint about the case. There was only one, and that was Judge Fred M. Odom. He did not say anything about him because, when he contested the dummies in 1931, Judge Odom decided in favor of the dummies; and when they contested the dummies against us in 1932, Judge Odom decided against the dummies. He did not say anything about the only judge that I had anything to do with electing since I have been Governor of the State of Louisiana because he decided against us and every time, regardless of what the question

was, he had been found deciding opposite to the factions rather than on the law. He had a right to change his opinion; I do not condemn him; it is very likely he saw it differently; that is his business. So much for the dummy-candidate question.

#### NO CORRUPTION EVEN MENTIONED

There is one thing, gentlemen of the Senate, that I want the Senate to note, and I hope I will have particular attention in what I am now going to state. There is not a line of evidence—top, side, nor bottom—reaching one single act of misconduct against JOHN H. OVERTON, Senator elect. There is not a line of pretended evidence which has been written into this record undertaking to show the slightest misconduct of action or inaction on the part of Senator-elect John H. Overton—not a line. I challenge anyone to produce one line of such proof that was ever offered in this record.

However, before I go into that there is one point that has been mentioned. You have been told by the newspapers that one witness by the name of Weiss declined to answer questions of counsel for the committee. You have not been told the truth by the newspapers. The newspapers had to take what they got from the reports down there in New Orleans, and I know the kind of reports which were sent out. I remember when they were trying to impeach me down there; they tried me for murder for one week, to show that I had hired a man to go and kill another man, and at the end of the week's testimony they just dropped the case entirely and never did vote on it. But one week's testimony had gone into the newspapers of this country, under a privileged hearing, undertaking to show that I had been implicated in a charge of murder when there was not enough to it even to cause a single one of the members of the House of Representatives of Louisiana to propose a vote on that charge.

What did they do in this matter? We had a bank situation in New Orleans. I received some cooperation from the committee in that situation, particularly from the Senator from Wyoming [Mr. CAREY]. I called the Senator from Wyoming to my house at night and I told him that there would not be a bank, perhaps, which would open in my town the next day if I did not get some help. I knew I could get it from nobody but him, and I had to have a day in which to work. We sat up in my room on Friday night on the day selected to start this hearing and we drafted a proclamation for a holiday, because we knew the banks could not open up the next day. I can say that much here now, but I can only say here now what I think is discreet.

In order to find a ground upon which to declare the holiday, we spent the night looking up things that might have happened on the 4th of February, but could not find anything. About 1 o'clock in the morning somebody phoned that diplomatic relations with Germany had terminated on the night of February 3. Well, I was not very strong, as Senators perhaps know, for the war; I had been making some pretty recent remarks that I was not strong for America having to pitch into that war in Europe; but a holiday had to be a holiday. The 3d of February was not the 4th, so we drew on our imagination and decided that the proclamation severing diplomatic relations was drawn in the nighttime between February 3 and 4, and we declared a holiday for the 4th day of February in order to get a Saturday holiday. We worked all day and all night Saturday; we worked all day and night Sunday; we worked night and day; there was no such thing as anybody sleeping an hour all day Saturday and all Saturday night and all day Sunday and Sunday night. We received wonderful help from the authorities here in Washington, particularly the Reconstruction Finance Corporation.

The banks opened up on Monday morning. One or two of the banks were crowded, the line reaching away out into the street. I would have to go down there and argue with the crowd and then go back to the hearing and then go from the hearing back to the crowd and then from the crowd back to the hearing and go into conference through the night and then go back to the dad-gummed hearing the

next morning and back into conference all night, working night and day and day and night trying to keep that community from a calamity that had practically come on us and that we could not avoid.

#### DOG SON OF A WOLF

In the midst of it was this gentleman by the name of Ansell, whom I can never describe except as Victor Hugo described some individuals. Hugo said, there is an animal for every human; there is not a human that you can not look at long enough, if you know animal life, without finding his counterpart among the animal kingdom. There is an old fable, Hugo says, that with the birth of every litter of wolves there is one dog born, and the mother immediately devours the dog that is born with the litter of wolves for fear that he will be vicious enough to eat up the balance of the litter—the dog son of a wolf. Put the face on Ansell and you have got the dog son of a wolf. That rascal, so found by the committee of the House, was allowed the next day to ask the witness Weiss about this banking situation. And Weiss refused to answer. I instructed him not to answer. We had all the trouble on earth that we could possibly handle. He was asked why he had not deposited certain accounts, and I called the gentlemen aside and told them why we could not afford to answer that kind of a question. I will say that the committee was kind enough to understand, at least for the time, and immediately resumed the hearing without asking the witness to testify any more about any banking situation, direct or indirect. Lo and behold! On the last day of the hearing the same question was asked again, and the witness was told to answer it; and the witness said:

I will answer any question on earth regarding a campaign fund of OVERTON or BROUSSARD, directly or indirectly relating to it, but I will not answer any other question of any kind regarding a deposit made in a bank, or money kept anywhere else, unless it is a question affecting the Overton and Broussard campaign.

The witness was clearly within his rights.

Then Ansell was not satisfied with that. Why, nothing on God's earth would have pleased that man Ansell like closing up New Orleans. Nothing on God's earth would have been so pleasing to this scoundrel, who had got Bergdoll out of jail and sent him to Germany on the pot-of-gold tale, as congressional committee reports. He would have had something to his renown if a cluster of stagnation, rampant ruin, and squander could have blazed the trail of this scoundrel, who imposed himself on the chairman of this committee, because the chairman of this committee is too honorable a man to have hired this rascal if he had known that the House committee said he ought to be disbarred. The chairman of this committee would not have hired him if he had known that.

Mr. HOWELL. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. LONG. Yes, sir. I should like to know about that, if you would have hired him if you had known that.

Mr. HOWELL. Certainly the Senator does not want to have this banking matter misunderstood. His memory is at fault.

Mr. LONG. Mine is at fault? Not a bit on earth.

Mr. HOWELL. I will simply make a statement now which the Senator can correct if I am wrong.

Mr. LONG. I am going to read it now.

Mr. HOWELL. Mr. Weiss testified that he was the clearing house for the Democratic association in Louisiana of which Senator Long was the head; that he received the moneys that were paid in on account of campaign matters, and that he paid them out, but that he was not an officer of any committee or of any association. He said that he received money only in cash and he paid it out only in cash.

The only reference to the banking situation that was made at this hearing, as I recall, was this: The question was put to Mr. Weiss why he did not deposit these large sums of money in a bank, and have a bank account, and have some accounts of these receipts and expenditures.

Mr. LONG. Yes.

Mr. HOWELL. He said it was because he did not want to.

Mr. LONG. That is right; yes, sir.

Mr. HOWELL. Then the question was asked, "Why did you not want to?" I think I am correct in that.

Mr. LONG. Yes, sir.

Mr. HOWELL. And he answered, "I refuse to answer."

Mr. LONG. Yes, sir; that is right.

Mr. HOWELL. That was the only reference made to banking at that time.

Mr. LONG. Oh, no, it was not! Oh, no, it was not, any such thing! That is the last day you are quoting now.

Mr. HOWELL. No; I am quoting the first day.

Mr. LONG. Oh, no! I have it here.

Mr. HOWELL. I am quoting the first day, and I think if you will look at the testimony you will find that my memory is in accord with the facts.

Mr. LONG. All right.

Mr. HOWELL. When he refused to answer as to why he did not, I notified him that he should understand that no one could protect him from the results of refusing to answer. Then it was suggested that he would be willing to tell the committee in confidence why he did not deposit his funds in a bank. I was reluctant to receive any information from a witness in confidence, because I recognized the fact that I was merely acting for the Senate of the United States. However, upon the urging of Senator LONG, Senator CAREY and myself took a recess and went into a room, and there Mr. Weiss gave his reason. I did not think it was a valid reason, and, as a consequence, Mr. Weiss was subsequently questioned, and again he refused to tell us why he did not keep accounts and did not deposit the political funds in his hands in a bank.

Mr. LONG. That is not the correct statement, Senator. The facts are that we went into the room, and I related to the Senator myself, in Mr. Weiss's presence, the circumstance that he would require that witness to tell, and we went back, and the witness was then excused from answering the question, and I will show it here by the record. You did not mention that again for 12 days, when you came back on the closing afternoon and tried to do what you had excused him from doing 10 days before. Now, if your mind has failed you, I will read it to you.

Mr. HOWELL. True.

Mr. LONG. Yes, sir; true. I know it is true, and so do you know it is true.

Mr. HOWELL. Just a moment.

Mr. LONG. Wait just a moment. I am not through yet. I am going to read the record. Your memory can not fail you at this point.

The PRESIDING OFFICER (Mr. FESS in the chair). The Chair would suggest to the Senator from Louisiana—

Mr. LONG. I have the floor.

The PRESIDING OFFICER. Yes; but the Chair is making a statement. No Senator can refer to another Senator in the second person.

Mr. LONG. All right, sir; I beg pardon.

The PRESIDING OFFICER. Instead of saying "you," the Senator should say, "The Senator from Nebraska."

Mr. LONG. I will say, then, "The Senator from Nebraska." I will get it back in whatever person it means. It has to be right because I am going to read from it.

Here is what happened, Mr. President. The Senator from Nebraska will know the circumstance that I told him in that room:

The CHAIRMAN. I think it is a perfectly proper question.

Then we rowed around.

The CHAIRMAN. We will take a recess for five minutes.

(At this point a recess was taken, after which proceedings were resumed, as follows:)

The CHAIRMAN. The committee will come to order. Counsel for the committee will proceed.

And thereupon, in accordance with the proceeding in private, Mr. Ansell propounded a brand-new question and left the subject:

Mr. ANSELL. Mr. Weiss, were you also the clearing house for the Louisiana Democratic Association?

And the question was never asked any longer.

This was on the 7th day of February, 1933. The time when Ansell finally came back and asked the witness to answer that question was on the 17th day of February, 1933. The witness did not say on the 7th day of February, 1933, "I do not want to." It was on the 17th day of February that he said, "I do not want to." And here is the question. This was on the 17th:

Mr. WEISS. I have also testified, your honor, I have no bank account in which I kept any political funds; that I kept no books. I do not know that that is any more of his business—I do not care what he makes, but suppose I would ask him if he was getting \$10 a day. That would be overpaying him; but suppose I did ask him that—

Mr. ANSELL. Let us examine this witness and let him decline to answer or not, as he sees fit.

Then we had a row over the conference. No; this is not the place. If the Chair will bear with me just a moment, what happened was this. I will read the record here to prove it, Mr. President, because I remember it very well:

On the day of the 7th, when Mr. Weiss was on the witness stand, and declined to answer these questions, we asked for a recess. The recess was given. We came back to decide whether or not the witness would be made to answer the question, and instead of being asked the question the witness was asked a brand-new question a million miles away, so that nothing would be noticed about it; and I remember what happened in the room. I told the chairman myself of an incident that had occurred there in New Orleans, and I told him he would not want to bring that matter out, and they did not, and we left the matter on the 7th.

Then on the 17th we came back, and Ansell came back with the same question he had asked before, and then is when the witness said he would answer any question on earth about the Overton-Broussard political campaign funds, directly, indirectly, remotely, or otherwise affecting them, but that he would not answer any questions outside of that scope; and that is the question that I will read here in a moment.

I will put these questions and answers in the RECORD, Mr. President. There are over 2,000 pages of this testimony, 2,200 or 2,400 pages. I will put in the RECORD to-night the questions and answers of the two days. I ask that I be given permission to put the questions and answers at the conclusion of my remarks, to show what happened on the 7th and what happened on the 17th.

The PRESIDING OFFICER. Without objection, that order will be made.

(See Exhibit B.)

Mr. LONG. Now, that is not all this man Ansell asked the witness. I want to read you something else. Mr. Ansell said to Mr. Weiss:

How much property, real and personal, do you yourself own? Mr. WEISS. Not 5 cents' worth.

Mr. ANSELL. You own nothing now?

Mr. WEISS. I said I own nothing.

Mr. ANSELL. What property did you personally own in the year 1932?

Mr. WEISS. None.

Mr. ANSELL. My question said properties, which includes both personal and real property.

Mr. WEISS. You mean personal; a suit of clothes?

Mr. ANSELL. Personal and real property.

He was asking Mr. Weiss what he owned, now, back in 1932.

Mr. WEISS. Explain it.

Mr. ANSELL. Did you have any personal and real property in the year 1932? If so, of what did that property consist?

Mr. WEISS. I am not quite as smart as you are. What is personal property?

Mr. ANSELL. You know what it is.

Mr. WEISS. I am asking you to explain it.

Mr. ANSELL. Money, checks, stocks, bonds, notes, clothing, neckties—

Think of calling upon a man to go back a year or two and say how many neckties he had, how many suits of clothes he had, how many this, and how many that.

Mr. WEISS. That is none of your business.

Mr. ANSELL. Pocketbooks or what not.

Mr. WEISS. If that is what it means, that is none of your business.

I do not think there is a court or a committee or a chamber on the civilized earth that would stand for that kind of a battering and kangaroo proceeding that man tried to pull off down in that country.

That was not all. He had already asked about what he had no right to ask about. He did not fail to get any information, as Senators may have been led to believe. Nothing of the kind occurred. I will show Senators that the first day they had Weiss on the stand, Ansell asked him all about that. This is what he said. He said to him, "Can you tell this committee what moneys you received on account of Long's political organization during that political campaign?" These are the questions he subsequently asked him, after the meeting in the room.

He said: "As well as I could remember, I received just enough to defray the expenses of Senator OVERTON's campaign."

Mr. ANSELL. Did you keep any record of the moneys received for that purpose.

Mr. WEISS. Yes, sir.

Mr. ANSELL. Have you that record with you?

Mr. WEISS. No, sir.

Mr. ANSELL. Where is the record?

Mr. WEISS. I dictated the record to Mr. Peltier and Mr. Ellender when they made up the record for the committee, sir.

Mr. ANSELL. What did you dictate from?

Mr. WEISS. From my memoranda on my desk.

Mr. ANSELL. Have you those memoranda?

Mr. WEISS. I have not, sir.

Mr. ANSELL. What became of them afterwards?

Mr. WEISS. I destroyed them.

Mr. ANSELL. How long after your dictation did you destroy your memoranda?

Mr. WEISS. When I gave them the information I had no further use for them.

Mr. ANSELL. Did you think you would need those memoranda up to that time?

Mr. WEISS. I did not.

Mr. ANSELL. Were those memoranda kept in the due course of business?

Mr. WEISS. No, sir; they were not.

He asked all about the bank business, about which he had no right to ask, after the whole thing had been asked and answered.

He said to Mr. Weiss, "What is your salary?" I do not know where they got the right to ask a man what he was making, but when he got Mr. Shushan on the stand he said, "What is your business?"

"My business is the wholesale dry-goods business."

"How much is your concern worth?"

"It is rated from \$350,000 to \$500,000."

"How much money did your business make last year?"

"We lost \$7,500 last year."

"How much money did your business make the year before?"

"It lost \$12,000 the year before."

"Well," he said, "that does not seem to be much of a business. How much money did you make out of the State?"

"I did not make any money at all."

"Is it not a fact that you have been selling the State a lot of goods?"

"No. Whatever I sold the State I had to bid low to get it."

"When did you start bidding on contracts?"

"When I was working under Gov. John M. Parker they did not have any bids for the purchase of goods, but since the Long administration in 1928 we had to have bids submitted, and I had to be the low bidder, and before I sold the State of Louisiana I got it on my low bid."

He went into that man's business from top to bottom, asking him what he made, whom he worked for, who his customers were, and Mr. Shushan went on through his private business.

Then he got Mr. Weiss on the stand and asked him what his salary was.

Mr. Weiss said that was a hard question to answer. He said, "I do not think I can answer the question." I then said to Mr. Weiss, "I want to ask the witness to go on and tell him. Tell him what you get."

Mr. WEISS. It is a very hard thing to determine my salary. I get my rooms, my food, my garage, and my pressing.

Mr. ANSELL. In money?

Mr. WEISS. \$10,000.

Mr. ANSELL. Is your salary paid by check or in cash?

Mr. WEISS. In checks.

Mr. ANSELL. Do you deposit your salary in any bank?

Mr. WEISS. I do not.

Mr. ANSELL. You keep it in cash?

Mr. WEISS. Yes, sir; part of it.

Mr. ANSELL. Do you receive any salary from any sources other than that from the hotel?

Mr. WEISS. None at all, sir.

#### DEFENSE FOR SENATOR HOWELL

He did not have anybody to put on the stand to prove anything by. In the case of every witness he called there, he took the liberty of going into their personal and private accounts, to make himself as obnoxious as his general demeanor would indicate, conducting a regular kangaroo out-lawry proceeding, going into every irrelevant hearsay proposition he could think of. That is the kind of testimony to be found in this record. He asked this man all about his bank account in this hearing, asked him where he kept his bank account. The witness told him of every bank account he had, told him everything he ever kept, told him everything from the height and color of the kitchen stove to the description of the cradle in which he was rocked when he was a baby. And still this scoundrel, as the congressional committee found him to be, came back there day after day, this Bergdoll man. By the way, a few minutes ago I said that if the Senator from Nebraska [Mr. HOWELL] had known what the congressional report had been regarding Mr. Samuel Tilden Ansell, he would not have had him down there advising him as to his conduct in those proceedings. Thereupon the Senator from Nebraska rose, and I thought he was about to enter what I had already entered for him—a disclaimer for inflicting on the people of that State the conduct of a rascal who had been impeached by the House of Representatives because of his low-down effort to deprive the country and when the Senator from Nebraska rose, I thought he was going to confirm what I had thought—that if he had known these things he would not have employed him to browbeat the people of that section of the country—good, honorable citizens.

I know too much about the Senator from Nebraska to think that he would have taken this man down there as counsel of the committee if he had known he was one who was guilty of a misrepresentation in an effort to make himself Judge Advocate General and who dug up that pot-of-gold story, the story that Grover Cleveland Bergdoll had buried over in Maryland a pot of gold and got him loose and sent him to Germany. I know that if the Senator from Nebraska had known that a committee had said that he never ought to have been allowed to go before any civilized court, he never would have picked an outlaw of that character and carried him to Louisiana.

It is necessary that I make this defense of my colleague. It is necessary that we get this thing straight.

Mr. HOWELL. Mr. President, will the Senator yield?

Mr. LONG. I yield. I want the Senator to tell us about it this time, whether he would or would not have taken this man.

Mr. HOWELL. I had never met General Ansell until the matter of his employment arose. And I want to say this for General Ansell: He is a very able man. He served the committee and gave the best that was in him. He is learned in the law. I know nothing about the matters to which the Senator from Louisiana refers.

Mr. CLARK. Mr. President, will the Senator yield just a moment?

Mr. HOWELL. In just a moment.

The PRESIDENT pro tempore. The Senator from Louisiana has the floor.

Mr. LONG. I yield.

Mr. CLARK. I want to ask the Senator from Nebraska if he considers it was an evidence of great ability for Colonel Ansell to be spending public funds in going into such irrelevant matters as the question of whether or not the junior

Senator from Louisiana had Indian blood in his veins and into the feuds of the Long family?

#### SENATOR HOWELL EXPRESSES REGRET

Mr. HOWELL. Let me say this: General Ansell spent no public funds afforded by the United States Senate except what he was entitled to have, and his per diem.

Mr. CLARK. Will the Senator yield for just a moment?

Mr. HOWELL. It has been suggested that General Ansell had money with which to accomplish this and accomplish that in New Orleans. He had no money from the committee whatever.

Mr. CLARK. Will the Senator yield further?

Mr. HOWELL. I merely want to say respecting General Ansell, as I have stated before, that I had never met him prior to that time, but I was greatly impressed with his ability as an attorney, and his industry and fidelity to the work he had in hand.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. I would like to ask the Senator from Nebraska if he approved of the unprecedented conduct of the counsel of his committee, a servant of the United States Senate, in the middle of an investigation giving out a statement attacking a Member of the United States Senate and a Senator elect, so vicious in its insinuations and so scurrilous and libelous in its assertions that it was not carried by the great press associations of the United States?

Mr. HOWELL. I presume the Senator refers to a statement issued by General Ansell—

Mr. CLARK. On Sunday; yes.

Mr. HOWELL. Which has not been published, as I understand.

Mr. CLARK. The Senator has seen it, has he not?

Mr. HOWELL. I beg pardon?

Mr. CLARK. Did not the Senator from Nebraska see it?

Mr. HOWELL. I saw a copy of it.

Mr. CLARK. The only reason why it was not published was on account of its contents.

Mr. HOWELL. I regretted very much that General Ansell gave out a statement. It was wholly without my knowledge. It had not been discussed with me. But he did it, and it was his act, and, as I say, I regret that he did it.

Mr. CLARK. Does the Senator think that was proper conduct on the part of an employee of the Senate in the midst of an investigation?

Mr. HOWELL. So far as that is concerned, I have stated that I regretted his act.

Mr. CLARK. Was the Senator correctly quoted yesterday in the New York Herald Tribune, after reading that statement, when he said that there was no disagreement between the committee and counsel?

Mr. HOWELL. I made no such statement as that.

Mr. CLARK. The Senator was so quoted in the New York Herald Tribune of yesterday morning.

Mr. HOWELL. That there was no disagreement between committee and counsel?

Mr. CLARK. Yes; and that was after Colonel Ansell had given out this statement.

Mr. HOWELL. No; there was no such statement given out by me, that there was no disagreement between the committee and counsel.

Mr. CLARK. Then the Senator has been misquoted.

Mr. HOWELL. Unless it was in reference to what had taken place.

Mr. LONG. Mr. President, the Senator seems to think he is very proud of his counsel. He is apparently very proud of the Bergdoll record of the counsel he has picked for the committee, from what he says, unless he means to disclaim it. I gave the Senator credit for better intentions than that.

Mr. CLARK. Mr. President, will the Senator from Louisiana yield again?

Mr. LONG. I yield.

Mr. CLARK. Just for the purpose of the RECORD, I read from the New York Herald Tribune of Monday, February 20. After referring to the statement given out by Colonel Ansell

and the statement jointly issued by the Senator from Nebraska and the Senator from Wyoming, Colonel Ansell said:

"That is the way I feel about the matter," he said.

He added he had been retained for 30 days and that period was up. Senator HOWELL told newspaper men there was no disagreement between the counsel and the members.

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. LONG. I yield.

Mr. HOWELL. I had two calls by telephone on Sunday. However it affects the situation, I want to state that, when I had the interview, as I recall, with the reporter representing the Herald Tribune, I had not seen General Ansell's statement.

Mr. LONG. Mr. President, since the Senator from Nebraska says he is impressed with General Ansell, I want to read the Senator from Nebraska and the other Members of the Senate whom the Senator from Nebraska has picked for his charming angel of this inquisitorial kangaroo business of trying out the feuds of the Long family, the race of 1918 for railroad commissioner, the governor's race of 1924, the issue of the Ku-Klux Klan, the governor's race of 1928, the Long race of 1930, the legislative sessions from the time I was able to get to one to the time I was able to lead them, and various other things which are in this record—I want to read him what they said about this gentleman. I want to read him the record of the man he says he is impressed with.

Here is the report from the United States Congress, the majority report of the committee, and I want to say that the minority report does not do any credit to Mr. Ansell. The minority report differs in some respects, but it did not do any good to Mr. Ansell. It said his conduct was just about as bad as the other one said it was. Let me read what the House said about this man Ansell and about the pot-of-gold story he fixed up for the War Department.

It is interesting to know that General Ansell, until a short time before his employment in the Bergdoll case, had been an officer in the regular Army of the United States for about twenty-five years, and that during the war he was the next officer in control to General Crowder, the Judge Advocate General. However, during the war General Crowder was more directly concerned and employed in preparing and executing the draft law, thus virtually leaving General Ansell as the Judge Advocate General.

They produced two letters that General Ansell wrote to the War Department for Bergdoll, the one he dictated and did not send, and the one he wrote with a pencil and did send, and they showed here, two Democrats and one Republican, from a comparison of those two letters, that there was nothing but a thief at the bottom of them both. Then they go on to say:

The conclusion is irresistible that General Ansell was then using with emphasis the name of Judge Westcott to bring influence to bear upon the Secretary of War should the communication ever reach him.

It never reached the Secretary of War, however.

General Ansell had said that he was going with this man, or else one of the other lawyers, under guard. Here is what the committee said:

General Ansell knew several days in advance that the expedition would start May 20; and he knew that Gibboney himself did not contemplate making more than a part, if any, of the journey. So, there is no escape from the conclusion that General Ansell knew, at least two days and two nights before the journey started, that his pledge made to General Harris in this respect was to be violated.

I wonder how that sounds to the Senator from Nebraska?

When General Ansell was on the witness stand the question was put to him a number of times, and by different members of the committee, to indicate at least one specific act done by him looking toward the redemption of the pledge. To each and every one of those questions he was either nonresponsive or evasive.

Quoting further:

The two letters—the one which was sent and the one which was not sent—when taken in connection with all the other hap-

penings in the case, show that General Ansell was not only taking advantage of his long association in the Army with General Harris, but was actually misleading him into having Bergdoll released for the purpose of seeking the alleged hidden gold.

Quoting still further:

The question naturally arises that if one or the other of them was to go—and Bailey admits that he had agreed to join the expedition at Hagerstown, Md.—why was there a change of mind, just following Bailey's return from a visit to Bergdoll, to the effect that neither was to go at all. And, further, why was not General Harris so advised? He was within a stone's throw of them during these two days and two nights. What happened between May 11 and May 17 that did away with the necessity of even Bailey's going? Was information received by either Ansell or Bailey at Governors Island, where Bergdoll was confined under Colonel Hunt that the gold was not buried at Hagerstown, or that the expedition would not proceed beyond Philadelphia, where Mrs. Bergdoll says the gold was buried, and at which point Bergdoll escaped?

Right here I want to pause to ask the junior Senator from Nebraska if he thinks there is one word of truth in the story of the pot of gold that Bergdoll had buried over here in Maryland? Does the junior Senator from Nebraska mean to say that he would believe there is one word of truth in it or that any sensible man believes such a cooked-up story that Ansell knew would put Bergdoll in Germany, or that there is a word of respectable truth in that pot-of-gold story? I have heard these old pot-of-gold stories ever since I was born, that there is a pot of gold over at the foot of the rainbow, and somebody, it was said, has ridden his life out hunting for the pot of gold. But here comes General Ansell and palms his way into the United States Senate and imposes himself on this good learned and conscientious Senator, after having defrauded the United States and put over that pot-of-gold story. If I had known this about that man when he left Washington with the junior Senator from Nebraska, I would have feared for the Senator from Nebraska [Mr. HOWELL] coming back with his shoes on, if that man could put that kind of a pot-of-gold story over on the United States Government.

Mr. CAREY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Wyoming?

Mr. LONG. Yes, sir.

Mr. CAREY. I happen to be a member of the subcommittee that conducted the hearings. Before General Ansell was employed I was consulted by the Senator from Nebraska. General Ansell was employed on the recommendation of an old friend of the Senator in Nebraska, a man who had previously practiced law in Omaha and in whom the Senator from Nebraska had every confidence. It was through him that General Ansell was employed.

Mr. CLARK. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Yes, sir.

Mr. CLARK. I would like to ask the Senator from Wyoming a question. Does the Senator realize that at least 80 per cent of the testimony taken in the hearing down there was wholly irrelevant?

Mr. CAREY. I would rather not discuss the case until we have reported.

Mr. CLARK. The Senator has permitted his counsel to discuss it in the most public manner.

SENATOR CAREY SAYS TESTIMONY NOT RELEVANT

Mr. CAREY. I admit there was testimony that was not relevant.

Mr. LONG. Mr. President, I can not do the Senator from Wyoming too much honor in this matter. I want to say further that I agree that his statement, I think, clearly forces the conclusion that the Senator from Nebraska in good faith employed Ansell. I think the Senator was in good faith. I do not want him to make another similar mistake at least when I am to be the intended victim. If there is to be any operation performed on me, please do not go to the galleys to get the surgeon.

I read further about this Ansell:

On the 19th of April, 1920, General Ansell prepared a contract fixing the fee which the firm of Ansell & Bailey was to receive as attorneys for Bergdoll. That tentative contract was submitted by General Ansell to Mr. Gibboney for his approval, but Mr. Gibboney declined to approve it. Thereafter, on the 23d day of April, Mr. Gibboney himself, representing Bergdoll with carte blanche authority, submitted a counter, tentative contract to General Ansell. Under the terms of the first tentative contract Ansell & Bailey, according to the construction put upon it by Mr. Bailey, could have received \$60,000.

Mr. CLARK. Mr. President, will the Senator yield again? The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Yes, sir.

Mr. CLARK. The Senator from Nebraska stated a moment ago that he did not know about the statement which Colonel Ansell had issued until after it had been issued, and he was not consulted about it, and, of course, everybody in the Senate will accept that statement. I ask the Senator from Nebraska if he considers it proper procedure for the committee counsel to be giving out statements of that sort in the midst of the investigation, and whether he had given Colonel Ansell any authority to make such a statement as that? I ask that question in view of the Senator's statement that he has very high admiration and regard for Colonel Ansell.

Mr. HOWELL. Mr. President, I will read from a copy of the statement signed by the subcommittee that conducted these hearings, composed of the Senator from Wyoming [Mr. CAREY] and myself. This was given out on February 19, 1933:

The undersigned, a subcommittee of the Senate appointed to investigate campaign expenditures and other matters in connection with the recent election, returned from New Orleans this morning after holding public hearings in that city covering a period of about two weeks. The subcommittee will report at an early date to the full committee and will subsequently report to the Senate. Other than this the committee has not or will not authorize any report or statement.

That answers the Senator's question. I read this statement in answer to the Senator's question.

Mr. CLARK. It is not in answer to my statement. The Senator said he had high admiration and respect for General Ansell. I am asking the Senator if he considers such conduct on the part of committee counsel as proper?

Mr. HOWELL. I have stated that I regretted that General Ansell issued a statement.

Mr. CLARK. Does not the Senator think that the committee's counsel has been guilty of flagrantly improper conduct?

Mr. HOWELL. I have gone as far as I will in the statement I have made.

Mr. LONG. Mr. President, I want to say to the Senator from Missouri that that is one of the most civil acts he did in that whole matter; this statement was more civil than many other things he did.

I have clean hands in one part of my conduct in public life. I was once in a fight with the Fuqua administration in Louisiana, attacking the highway commission, when a brother of an important member of the highway commission came to me and wanted to volunteer a statement against his brother's conduct. I declined to receive the statement against my personal and political enemy coming from his brother, and I can give the names and dates and places.

And for a committee to have allowed this man Ansell to call brothers of a man who was not a party to the contest, who was not a candidate for office, to have allowed this scoundrel, condemned for every phase of crime that Congress could find in the career of a living human being, to have permitted him to call the brothers of a man to testify to irrelevant matters against a man not connected with the case in order that they might have the privilege under the law that what they said could be published without there being a remedy for anyone—I want to say that that was much more low down, and that the day of the cutthroat

had come into its own when Ansell was in charge of the matter.

Now I want to read a little more about Brother Bergdoll in order that the Senator from Nebraska may slumber more soundly than he has been doing. Quoting:

Anybody who has seen or heard all of those associated, either directly or indirectly, with the plan or manner of Bergdoll's escape, not only must recognize General Ansell as the master mind of them all but also as their dominating and controlling spirit \* \* \*

Bergdoll's escape was the direct result of the proposition submitted by General Ansell to General Harris. Even if General Ansell did not conceive the plan, he presented it and pursued it to its accomplishment. The others had exhausted all remedies known to them as attorneys practicing in the civil courts. It was General Ansell, resourceful and conversant with military possibilities, who must have conceived it.

Then I skip a little and get back to Brother Ansell again:

The broad, well-defined trail leading to the escape did not become unmistakably evident until General Ansell induced General Harris to authorize the expedition to search for the gold. There can be no doubt about General Ansell's ability and learning, but it is certain he did not get into the case because of that ability and learning alone. \* \* \* The large fee contemplated by him evidently was based not only upon what he might accomplish through legal channels but, in addition, by exercised influence.

The many fees to be gotten from others, and the big one to be paid by Bergdoll, lured him into questionable paths.

While there are many who participated in the conspiracy leading to Bergdoll's escape and the acquittal of those who brought it about, there are three who are infinitely more culpable than the rest. Those three are General Ansell, Colonel Hunt, and Col. C. C. Cresson. \* \* \*

General Ansell is now out of the Army. He is beyond the jurisdiction of court-martial proceedings, but provisions should be made against his future practice before any of the departments, before any court-martial, or in the courts of the District of Columbia or the Nation above whose safety and integrity he has placed gold.

And yet he is the bird who was sent down to Louisiana, who stood up before the chairman and invited one United States Senator out for a fist fight and who stood up and invited a Senator elect out for a fist fight.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. TYDINGS. I am not familiar with the Ansell-Bergdoll case except very hazily, and I was wondering what action was finally taken in regard to General Ansell. Was he discharged from the Army or disbarred or censured or what was done to him?

Mr. LONG. He got out of the Army just in time to avoid it. The fact of the case is—I am not quite sure—that he took a position as Judge Advocate General and he got out of that and resigned from the Army. Then he got into this.

Mr. CLARK. Mr. President, may I call the attention of the Senator to the fact that prior to his resignation from the Army he had been demoted for misconduct by order of the Secretary of War from brigadier general to lieutenant colonel, which was his regular Army status.

Mr. TYDINGS. Was that the result of his conduct in the Bergdoll matter?

Mr. CLARK. That was prior to his conduct in the Bergdoll case.

Mr. LONG. He had misrepresented facts, and, as a result, he got a commission from the Chief of Staff.

Mr. TYDINGS. May I ask how long it was after the Bergdoll case that he resigned?

Mr. LONG. He resigned before that.

Mr. TYDINGS. He resigned before that?

Mr. LONG. Yes; he resigned before the Bergdoll case. Instead of being retired, he resigned and took the Bergdoll case.

Mr. TYDINGS. Did the bar associations in the locality in which he belonged take any action because of his conduct?

Mr. LONG. I do not know what the bar associations did, but I have just read excerpts from what the congressional committee said.

Mr. TYDINGS. Did anybody inflict any punishment upon him except what was said by the congressional committee?

Mr. LONG. No; he seems to have gone scot-free, and never bobbed up again until he bobbed up in the company of the Senator from Nebraska. [Laughter.] The next I heard of Ansell after the time he led the united army into Maryland searching for the pot of gold, when he was recommended for disbarment as a scoundrel and a thief, was when he bobbed up as the personal, political, and financial escort of the Senator from Nebraska [Mr. HOWELL] to investigate me from the cradle to the grave in somebody else's election probe.

Mr. BAILEY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. LONG. I yield.

Mr. BAILEY. I have rarely, Mr. President, heard anyone so vituperated and abused anywhere as I have heard the counsel for the committee investigating the Louisiana election. It is ex parte; it is by a Senator under his privilege of immunity, I take it, and in his character as attorney in the case, as I understand.

Mr. LONG. I do not claim any privilege.

Mr. BAILEY. That is what I wish to ask.

Mr. LONG. No, sir; I do not claim any privilege from this scoundrel anywhere on earth under God's living sun.

Mr. BAILEY. The Senator claims no privilege?

Mr. LONG. None at all.

Mr. BAILEY. And no immunity?

Mr. LONG. None at all.

Mr. BAILEY. And the Senator invites the man accused by him to test the truth of his accusations in the courts?

Mr. LONG. Anywhere on earth.

Mr. BAILEY. And the Senator agrees not to claim any immunity or any privilege?

Mr. LONG. Anywhere on earth. That is, however, I invite him to sue me in any court of competent jurisdiction, and I will not defend the suit except on the ground that he is a scoundrel and a thief and a rascal and a crook and has been determined to be such by an investigating committee of Congress. Does the Senator mean to say that the committee of Congress should be censured for its report on him?

Mr. BAILEY. Mr. President, this Senator did not mean to say anything about any committee.

Mr. LONG. I am reading from the report. I will read the Senator what the Literary Digest said. Did the Senator hear what the Literary Digest said about him?

Mr. CLARK. Mr. President, I might call the attention of the Senator from North Carolina to the fact that these remarks of the Senator from Louisiana were preceded by a statement from Colonel Ansell in his capacity as counsel for the investigating committee which was so scurrilous and so libelous that the great press associations of the United States refused to carry it.

Mr. BAILEY. I think the Senator from Louisiana directed a question to me. What was the question?

Mr. LONG. Was the Senator here when I read from the report of the congressional committee?

Mr. BAILEY. I was.

Mr. LONG. Was the Senator here when I read from the Literary Digest?

Mr. BAILEY. I was.

Mr. LONG. I hope I have not said anything about him that is not contained in that report and in the Literary Digest.

Mr. BAILEY. Let me say once more that I have heard a great many expressions of the personal opinion of the Senator from Louisiana.

Mr. LONG. Yes, sir.

Mr. BAILEY. I am content—

Mr. LONG. I think he is one of the lowest scoundrels that has ever been allowed immunity of law, and I have the authority of Congress to back me up in that statement.

Mr. BAILEY. I am content with the Senator's statement that he waives all privilege and immunity.

Mr. LONG. Yes, sir; I invite that rascal to sue me in a court of competent jurisdiction; and I will tell you now that there is not any more danger of him suing me than there is

of my being made Pope of Rome; and I am a Baptist. [Laughter.]

No, sir; he is not going back to Louisiana to sue anybody. He can sue me in a Federal court, but he is not going down there to sue anybody. He invited me out to a fist fight; he invited the Senator elect, OVERTON, out of the room for a fist fight; but when the witness Weiss took the stand and told him he could invite him out to a fist fight he knew whom to invite out. He knew neither of us could afford it; so he did not ask the witness to go out. He made a great, big, hocus-pocus play there over a police officer coming in there with a gun. A terrible thing—a policeman had a gun on him! He hauled up witnesses and made one of the greatest plays, that an armed gunman had walked in; that his life was in danger!

Mr. TYDINGS. Mr. President, may I ask the Senator a question?

Mr. LONG. Certainly.

Mr. TYDINGS. Would the Senator object to this investigation if counsel other than General Ansell were employed?

Mr. LONG. I did not object to the investigation at all within the limits of the law and what the Senate resolution says.

Mr. TYDINGS. The point I make is that evidently, assuming that what the Senator from Louisiana says is true—I have not read the testimony, and know nothing about it—assuming that it is true, the point is, the Senator feels that the counsel was incompetent and not wisely selected. I should like to elicit from the Senator whether or not he would object to a comprehensive investigation of the proper charges by another counsel whom the committee might or might not select.

Mr. CLARK. Mr. President, will the Senator yield to me?

Mr. LONG. Yes; I yield.

Mr. CLARK. In line with what the Senator from Maryland has suggested, I should like to ask the Senator from Louisiana if it has occurred to him that having squandered \$25,000 of public funds in an investigation that is almost wholly irrelevant, it might now be the intention of the committee, if it could be voted another \$25,000, to devote it to the merits of the case, if any there be.

Mr. TYDINGS. I should like to ask the Senator from Louisiana that question.

Mr. LONG. I did not object to the investigation. They have investigated for 12 days. They have spent \$25,000. They have brought there every enemy I have had; and if the Senator from Maryland will read this record and say that there is any ground, after having squandered \$25,000, for squandering \$25,000 more, I shall be glad to answer the Senator.

I say this: I have not objected to any investigation—

Mr. TYDINGS. Mr. President, if the Senator will yield, I do not want to inject myself into this matter, because I know nothing about it; but what interested me was this:

It seems, from the remarks of the Senator from Louisiana, that the proper kind of an investigation was not made, and that it was made by the improper kind of an investigator. I am simply asking him, if the proper kind of an investigator is selected by the committee, as to whether or not he would have any objection to the proper kind of an investigation?

Mr. LONG. I say that everything that could have properly been brought out has already been brought out. They brought in every record, they brought in every archive, they brought in everything that could be brought in. Do you mean to ask whether I want another gang like that down there in Louisiana? No. There is not any more reason to investigate Louisiana than there is to investigate Maryland—not a bit on earth. Our man did not even have opposition at the general election. He was not even opposed. There was not a single contest filed before the State central committee—nothing at all. The arbitrators gave out a report saying that it was the fairest, the squarest election that was ever held in New Orleans. You have gone down there. You have produced everything you could. Take the report of every investigator you have, and see if you can

find anything in it that justifies the spending of the funds. Oh, no! I think I understand things.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. LONG. Yes; I yield.

Mr. TYDINGS. Understand, I have not read the testimony.

Mr. LONG. No; I know the Senator has not, and the Senator is not going to read the testimony.

Mr. TYDINGS. Yes, I will.

Mr. LONG. I hope the Senator does.

Mr. TYDINGS. But I was just trying to analyze what was the argument of the Senator from Louisiana—

Mr. LONG. I am arguing the facts.

Mr. TYDINGS. That he felt, first of all, that the investigator was not a proper investigator, and he seemed to make out a pretty fair case. Then he brought out the point that the investigation was not relevant, and he seemed to make out a pretty fair case.

Mr. LONG. All right.

Mr. TYDINGS. I do not want to pass upon that kind of investigation, and all I was hoping to do was to give the Senator the kind of an investigation that he wanted.

Mr. LONG. I never asked for any investigation. [Laughter.] I never asked for any. Was there anybody here in the Senate who asked the committee to investigate his State? I did not ask for it.

Mr. CLARK. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I do.

Mr. CLARK. In answer to the Senator's question, I will say that I and another one of the leading candidates for the Democratic nomination in Missouri asked this committee to come into Missouri before the primary, at a time when there was evidence of the excessive use of money on every hand; and the committee replied that they would not come in unless we would get proof and send it to them, in which case we would not need the committee to come in. What we needed was process. If we had had the process and had had the proof, of course we could have proceeded under the criminal laws of the State of Missouri.

Mr. HOWELL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. LONG. Yes; I yield.

Mr. HOWELL. A good deal has been said here about the large sums of money that have been spent upon this investigation. I desire to state that I am chairman of the committee to investigate campaign expenditures and other matters in the recent campaign; and all the expenditure that I have made, including this investigation—

Mr. LONG. You have not made any anywhere else.

Mr. HOWELL (continuing). Including this investigation—

Mr. LONG. That is all you have.

Mr. HOWELL (continuing). Amounts to \$12,000.

Now, Mr. President, I also want to make another statement. We received complaints from Missouri. All they urged was that sums of money were being spent down there; and they wanted us to come down and investigate. Of course that is claimed in every State. We asked them for some details that could justify an investigation—sworn complaints, details, something to investigate about.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HOWELL. Just a moment. We received no reply. I presented the matter to the full committee; and the full committee decided, as the minutes will show, that no investigator should be sent into that State.

Mr. CLARK. Now will the Senator yield?

Mr. LONG. Yes; I yield.

Mr. CLARK. Mr. President, of course if we had had the detailed proof in the form of affidavits, it would not have been necessary to have a Senatorial investigating committee come in. I take it that the purpose of creating this committee, in addition to the ordinary Committee on Privileges

and Elections, is to serve particularly that purpose; to go into States and supply senatorial process to prevent violations of the law by the excessive use of money before the offense has been committed, instead of waiting until after the offense has been committed and then going in and going through the silly process of locking the barn door after the horse has been stolen.

The Senator's committee refused to come into Missouri in a case where two of the three leading candidates were joining in that request; and now it goes down here to Louisiana on a wild-goose chase in a contest in which the contestant himself stated on the floor of the Senate that he did not even contend that he had been elected.

Mr. HOWELL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana further yield to the Senator from Nebraska?

Mr. LONG. Mr. President, I have not time enough to yield for all this argument. It is now 5 o'clock. I want to wind up. As to the merits of the Missouri matter, and any controversy with the Senator's investigating committee, that can be argued out later. I want to complete my statement about this matter.

I want to find out, however, who has poured the holy oil to exculpate this thimble-rigging crook who has been denounced by the House of Representatives as a crook and a thief. I want to know who has poured the oil over this man that Congress says, through its committee, is a crook and a thief and a rascal. I want to know if he has been made holy by going down and pulling off a kangaroo court in Louisiana. I want to know if it makes one holy if he calls in the political opponents of HUEY P. LONG.

Mr. BAILEY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. LONG. Yes, sir; I yield.

Mr. BAILEY. Do I understand the Senator from Louisiana to say that the investigating committee made up of the Senator from Nebraska [Mr. HOWELL] and the Senator from Wyoming [Mr. CAREY] have conducted a kangaroo court?

Mr. LONG. I did not say any such thing, and the Senator did not understand any such thing.

Mr. BAILEY. I beg the Senator's pardon.

Mr. LONG. All right. I said Maj. Gen. Samuel Tilden Ansell did that. The Senator did not understand me to say anything different than that. If he did, he is mistaken. I said, what had made this crook holy? Let him sue me. Go down there and bring suit. Let this crook bring suit—this man that Congress says is a thief, a crook of every kind, who has been so adjudicated after hearing by honorable men—and it has never been answered. It has never been denied. It has been published in the Literary Digest. It has been published in the public press that he had put up that pot-of-gold story, and sneaked this scoundrel Bergdoll over into Germany, and had received an immense amount of money to do it, and had resigned from the Army, and could no longer be served with process from it; yet he has been picked to go down there.

I did not complain against the investigation. I want the Senator from Maryland [Mr. TYDINGS] to understand that. There is part of the investigation that was entirely relevant; and they went into everything they could get testimony on, that the investigators could find, so far as it was relevant, and I did not make any protest. They had the report of the investigators; and I want the Senator from Maryland to understand that the chairman of the committee announced that they had produced all the testimony they had there at the time. I did not object to that. I am not objecting to all that they went into; but after they had concluded that, and had no more evidence of that nature or description, to have gone in and put on the witness stand the men who had run against you for office, and have them repeat the old tales that they had told the people of that State for years, and have the privilege under law to compel your relatives that you could not support for public office to take the witness stand and remake the slanderous charges that they had made for years, that the people would not believe,

and thereby make them whereby they could be published in newspapers, where you would be remediless—that is what I objected to; trying out the issue as to whether I was a member of the Ku-Klux Klan, back in 1923; going into the slander that they did not dare utter except under a privilege which would permit publication without a remedy to the man that was the victim of it. That is what this committee was used for.

I did not object. They had the report. For five months they had been in the State of Louisiana. After five months, and having a hearing there, without producing anybody to show anything at all, we are yet to have the kind of molestation we have had there, where they have brought in everybody they could.

Why, I will read you what the chairman of the committee said. Give me the last volume and I will read you what the chairman of the committee said. There is only one more matter. Here is what the chairman said:

This investigation by the Senate committee appointed to investigate campaign expenditures and other matters has been in progress since early in October, when a subcommittee composed of Senators CONNALLY and BRATTON recommended, after a preliminary hearing, that a full investigation be made. A corps of investigators has been in Louisiana since that time, and the present subcommittee has now completed 12 days of public hearings in New Orleans and has largely completed its work in this city. However, much data has been accumulated respecting out-State conditions, but hearings for the development of further facts must be deferred for the present.

But, Mr. President, this did not exactly state all the facts. They had brought witnesses there from Opelousas; they had brought witnesses there from Winnfield; they had brought witnesses there from Shreveport; they had brought witnesses there from Hammond; they had brought witnesses there on every point at all relevant and irrelevant from all over the State of Louisiana; and the Senator's statement there that they had not produced out-State testimony was not exactly according to what had been done, through an error of the Senator, which I know was made in good faith.

Now, here is what I said:

Counsel for Senator OVERTON was not given any particular notice that he would be permitted to produce witnesses to-day, but, having the opportunity for some two hours or more, has produced the testimony that has gone into the record, and counsel stands ready now to refute by competent testimony any charge of any irregularity that may be charged; and if the committee so desires, counsel for Mr. OVERTON will bring to Washington, D. C., public records of every kind, nature, and description and the witnesses that may be necessary at any time to show the falsity of any charge of irregularity or any other misconduct that may remotely be said to be connected with the Overton-Broussard campaign.

I ask the Senate this, when they have gone down there and received hearsay testimony for two weeks to prove nothing, if at the end of that time it is treating us exactly fair for them just to have pulled up stakes and left? It was just because there was nothing to be proven. With everything said there that could be said on these irrelevant and extraneous things, they were not able to prove anything.

(At this point Mr. LONG yielded the floor for the day.)

*Wednesday, February 22, 1933*

Mr. LONG. Mr. President, I have received a little note, which I shall send to the desk and ask the clerk to read. It has something to do with the length of the speech I delivered here yesterday and what I propose to say to-day. I ask that the clerk read it.

The PRESIDING OFFICER (Mr. Fess in the chair). Without objection, the clerk will read.

The Chief Clerk read as follows:

Horace says:

"Be brief, so that the thought does not stand in its own way, hindered by words that weigh down the tired ears."

Huey, I commend the above sentiment to your consideration.

WALLACE H. WHITE, Jr.,  
United States Senator.

Mr. LONG. Mr. President, in view of the admonition which the distinguished Senator from Maine has seen fit to go back some two or three thousand years to get and give me, I shall undertake to condense my remarks into a very few minutes.

I wanted to read the majority report of the House on the escape of Grover Cleveland Bergdoll. Instead of reading that I send it to the desk and ask that it be incorporated at the conclusion of my remarks as Exhibit A.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Further, Mr. President, I should have stated in the beginning of what I said yesterday some matters of fact which I presumed Members of the Senate and the public at large understood a great deal better than it appears they do understand them.

I ask leave of the Senate to insert what I say in these few words relative to the history of the Bergdoll case at an appropriate place in the beginning of my speech of yesterday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I further wish to say, since the matter was mentioned by the Senator from Missouri, not by me, that the statement issued by Mr. Ansell upon his return from New Orleans, I am informed by a member of the subcommittee, was issued without any consultation with or notice to any member of the committee whatever. I am informed that "General" Ansell, as he calls himself, wired to Washington, D. C., stating to the press that he would give a conference, and that he had actually wired that before he left New Orleans, without mentioning it to any member of the committee whatever; that he came here on a Sunday and called in the newspaper reporters and handed out a prepared statement which, I am informed, was never mentioned and never read to any member of the committee, with no notice given in any way, shape, manner, or form to any member of the committee that he was going to issue it until he did it here in Washington, an act which the Senator from Nebraska [Mr. HOWELL] has said he regrets, and an act which the Senator from Missouri [Mr. CLARK] has described as highly infamous, to say the least.

Mr. President, I should conclude what remarks I desire to make, because I have undertaken to discuss only what I have termed the irrelevant matters of this inquiry. I did not go into the matter of the expenditure of money or of any opprobrium on the part of the candidate OVERTON, because I conceived that those were legitimate matters of inquiry under the resolution. Therefore I have not, in advance of the committee reporting, undertaken to go into these matters at all, and I hope I will not. But I wish to say a word further, and I am required to take some few minutes of the Senate's time.

#### LOUISIANA ACCOMPLISHMENTS

Mr. President, I do not conceive that the administration of Gov. O. K. Allen, of Louisiana, and of myself as Governor of Louisiana are appropriate objects of inquiry on the part of the Senate. I do not conceive that the merits or the demerits of our administrations as governors of that State are in any respect pertinent. But so much has been printed about these administrations of mine and my successor as governors that I am required to answer, hoping that some of the facts which I mention here may gain their way into the publications of this country to answer what was testified in the hearing and printed, but which was not, I contend, relevant.

Mr. President, I wish to say that when I became the Governor of Louisiana in 1928 the State was committed to a penitentiary losing some years to around a million dollars a year. At the conclusion of my administration and during the administration of Governor Allen that penitentiary, which had been losing a million dollars a year, is on a self-sustaining basis, and perhaps a paying and profitable basis.

I wish to say, Mr. President, that that penitentiary, along with the other penitentiaries of the United States, was investigated by a committee sent out by the N. E. A. newspaper services, and they reported on the penitentiary systems of the 48 States. When they reached Louisiana they stated that the penitentiary of Louisiana was the most ideal, from every standpoint, among all the pen-

itentiaries of the United States. That was printed throughout the world in all newspapers, except in the newspapers of the State of Louisiana.

Mr. President, the next thing which I hope will find its way into print to counteract what has been printed as a result of this hearing, under privilege, is that when I became the governor of that State, Louisiana was at the bottom of the list as the most illiterate State in the United States, according to statistics of the census of the United States. When I left the governor's office, we had opened up night schools to educate the illiterate people who were 20 years old and older. We sent them to school when they were 20 years old, 40 years old, or 70 years old, and when I retired from the governor's office in 1932 to become a Member of the Senate, illiteracy in that State had been reduced to such a point that Louisiana was among the States recognized for the education of the people, from the top to the bottom, regardless of age. The educational system had been so improved that the illiterates had been reduced from 238,000 by 150,000 adults being educated in night schools.

Mr. President, that is not all I wish to say in order that my State and my administration may not be stabbed unfairly in this proceeding. There was an improvement among the Louisiana colleges. The Louisiana State University, particularly, was rated by the Intercollegiate Association of State Universities as a third-rate college, and when I retired from the office of governor of the State of Louisiana it was rated as an A No. 1 university of the United States, as good as Harvard, Yale, Johns Hopkins, or any other university.

Criticism has been made in the record of the committee hearing of the fact that I built a medical college for the Louisiana State University. That is true. In 1905 a law had been passed providing that a medical college should be built. I completed that work, under that act, in 1931 or 1932, but I wish to say that, regardless of the criticism that has been put into the record, that medical college only a few days ago was given the highest rating that can be given by the American Medical Association to a medical college.

Then, Mr. President, a great deal has been said about the highway work that has been done in Louisiana. When I became governor of that State we had just a few miles, perhaps 30 or 40 miles, of paved highways. Up until this day, as a result of what was done under my work as governor and under Gov. O. K. Allen, the State of Louisiana has about 2,000 miles of paved highways and about 9,000 or 10,000 miles of farmers' gravel road. The State of Louisiana stands out to-day when its program is completed, particularly, as the best State in America and the best community of the world for highways to accommodate its citizens, and no one has to go any further than the United States Bureau of Public Roads to find it out.

But that is not all. The roads built in the State of Louisiana, the concrete-paved highways of the best standard type, cost an average of \$27,000 a mile, including ordinary bridges, and we had to build many bridges in that low country. They not only were the standard construction, but, whereas the United States Bureau of Public Roads require a tensile strength of 3,500 pounds to the square inch, some of the highways of Louisiana developed from 8,000 to 12,000 pounds tensile strength per square inch, as shown by tests. The highways of Louisiana cost an average, including the bridges, of \$27,000 per mile, which is the lowest general average cost of highways in any of the 48 States of the American Union built at or before that time. They were built the least expensively, they were built the strongest, under the most adverse conditions of any State; they cost the least, the State has the most complete system, and yet that work has been marked as a matter of discredit and brought into an election investigation that had no more to do with it than the flowers that bloom in the springtime. So much for the highways.

In the matter of education, in order that the facts regarding my State may be known, we adopted the free school-book system in Louisiana, and under my administration I gave the schools, out of the State treasury, \$1,000,000 more than ever had been given them before, and Governor Allen has

increased my allotment even in these hard times by appropriating out of the treasury \$1,500,000 a year to the school children more than I appropriated when I was governor, and I appropriated \$1,000,000 more than my predecessor.

Whence does the money come? An effort has been made to show that the State of Louisiana is overbonded. Mr. President, the State of Louisiana has never defaulted on a bond nor on a maturity nor on the interest on her bonds. The State of Louisiana is not half overbonded. It is said that we issued something like \$60,000,000 worth of highway bonds. North Carolina issued \$135,000,000 and we have a better road system than North Carolina. North Carolina has a good road system, but not as good as ours. Arkansas has a good one, too.

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. LONG. I yield.

Mr. BAILEY. I rise to express profound gratitude for the Senator's confession. [Laughter.]

Mr. LONG. When I make such a confession it is a compliment. [Laughter.]

Not only that, Mr. President, but in Louisiana those waterways, which are streams in Nebraska and Michigan, are rivers. By the time they get to our part of the country, that which one may step across in Minnesota, is a mile wide in its ordinary stages. At flood stages it may be 10 miles wide. That means that we have to build a bridge by dumping out a certain length and then making a bridge that is 2 miles in length for a river 2 miles wide. That is what we have done down there in Louisiana that we are being criticized for and investigated because a man was elected on a ticket we happened to favor.

We are building to-day a bridge across the Mississippi River that has been promised the people for 40 years. We are undertaking to start to build another bridge at Baton Rouge. We are building a big, but not so long bridge over the Red River at Shreveport. We have already built a bridge over the Red River at Moncla. We are building another one at Moncla. We are building another one at Alexandria, La., and another one over the Black River at Jonesville. We are building another one over the Ouachita River at Sterlington; another one over the Ouachita River at Monroe—that one has been completed, however. We are building another one over the Ouachita River at Harrisonburg, La.

We have built bridges and are building bridges the like of which can not be found in the length or breadth of this country, under soil conditions such as no other State has had to contend with. We have built the best in the world, we have built the strongest in the world, we have built them at the least cost, and yet all the condemnation that could be poured upon the State and upon her governors has been brought forth in this irrelevant fashion.

#### TAXES ON THOSE ABLE TO PAY

Where does our money come from? Much has been said about taxation in our State, and after this reference I shall conclude. Where does the money come from? It did not come off the backs of the little man, not a dime of it. We reduced the property assessment in that State. The total assessment of \$1,700,000,000 has been reduced to something like \$1,400,000,000, meaning that the ad valorem assessed basis of property was reduced in that State somewhere between 16 and 20 per cent, meaning that we were receiving that much less in taxes off of the physical property of the little homes of the State and other property, big and little.

But where did the money come from? Mr. President, we put a severance tax on oil. That is where a part of it came from. We put a manufacturers' tax on carbon black. That is where some more of the money came from. We put a tax on the sales of tobacco. That is where some of the money comes from. We put a tax on malt. That is where some of the money comes from. But, Mr. President, under Governor Allen we did the terrible thing of voting a corporation franchise tax to get \$1,000,000 or so, and the still worse thing of voting a tax on the manufacturer of electrical

power and energy, which gives our State 2 per cent of the gross receipts derived from the manufacture of electricity and does not permit or allow it to be charged on the bills of the customers consuming it.

We also put a tax upon the natural gas severed from the soil of one-fifth of 1 cent per thousand cubic feet. As a result we have lowered the taxes on the little man, we have collected from the corporations, who should have paid and who are willing, I think, now to pay. They can not help themselves if they are not willing. Also, we have lowered the taxes on the little man. We have put the taxes on the corporation franchises. We have put the taxes on electricity, which taxes we have not allowed to be charged upon the bills of the consumers. We have put the taxes upon the elements and interests that could best bear the taxes. We have taken the State out of illiteracy. We have raised the standards of its colleges. We have reformed the penitentiary to where it is on a self-sustaining basis. We have gone into the hospitals, where they were taking care of 1,600 patients a day in one hospital, and improved conditions so that to-day they are taking care of 3,800 patients in the same hospital. Where the death rate before I became governor was 4.1 per cent, the death rate has been reduced to 2.7 per cent, a reduction of 1.4 per cent that has been made in the death rate at that hospital.

#### JUSTICE FOR A STATE

Mr. President, I wish to say further, because I want my State to have the credit, that I am merely undertaking to erase the kind of publicity we have been given. We have built there a home for epileptics. There was no such thing in existence before I became governor of that State. When I became Governor of Louisiana our hospitals and asylums were treating the mentally sick, some of them in chairs in which they were locked, in strait-jackets; some of them had chains tied around their hands locking them to plow handles. We have abolished these barbarous practices in Louisiana under my administration and the administration of Governor Allen. There are three insane asylums in the world rated first class to-day that America knows of, and one of those is in the State of Louisiana.

Mr. President, with this statement I am not going to discuss the matter further unless occasion should arise. I am prepared, however, to discuss the matter in such other and further detail as may be made necessary. I wish to say only this further word. We have undertaken to keep our State from receiving that kind of unfair and unfavorable publicity. It is a known and open fact that certain of the newspapers of that State have tried to break the credit of that State. They have sent over their wires and printed in their publications every line of misinformation that could possibly be spread. The State has a balanced budget; it has every finished picture; its university, which had 1,500 students, has now between 4,000 and 5,000 students. We have built everything modern that a State could have. We have come out of it with a State that has less taxes, Mr. President, than any State in America to-day, taking it from one side of the country to the other, that has anything like the improvements that we have in the State of Louisiana with the property we have.

So, Mr. President, I want to thank the Members of the Senate for their attention and hope these remarks will be justified but, at least, will suffice.

#### EXHIBIT A

[House Report No. 354, Sixty-seventh Congress, first session]

#### ESCAPE OF GROVER CLEVELAND BERGDOLL

Mr. Johnson, of Kentucky, from the Select Committee to Investigate the Escape of Grover Cleveland Bergdoll, submitted the following report:

On the 18th day of April, 1921, the House of Representatives adopted House resolution 12, reading as follows:

"Whereas one Grover Cleveland Bergdoll, recently convicted by Army general court-martial as a draft deserter and sentenced to confinement for five years in the United States disciplinary barracks at Fort Jay, N. Y., has escaped from confinement; and

"Whereas charges are made, and there is reason to believe, that a plot and conspiracy existed among and between divers and sundry persons unknown to consummate the escape of the said Bergdoll from confinement under his said sentence: Therefore be it

"Resolved, That a select committee of five Members of the House be appointed by the Speaker of the House to investigate and procure all facts relevant to fixing responsibility for said escape and for the failure to recapture the said Bergdoll, and particularly to determine whether relatives, friends, counsel, or attorneys of the said Bergdoll participated in a plot or conspiracy to effect or give aid to said escape or to prevent recapture; or whether officers, noncommissioned officers, or privates of the Army or other persons connected with the Army or with the administration of the said disciplinary barracks or any other person participated in a plot or conspiracy to effect or give aid to said escape or to prevent recapture or were derelict in the performance of any duty devolved or devolving upon them which contributed to making said escape possible or prevented or hindered recapture or made it more easy for the said Bergdoll to elude recapture.

"That the committee so appointed may conduct such investigation by subcommittee or otherwise, may hold sessions during the recess of the House, may employ whatever assistance, either clerical or legal, it may deem necessary to aid in conducting said investigation, may administer oaths, may summon and compel the attendance of witnesses and the production of papers and documents, may employ a stenographer or stenographers to report the same, and have the reports of said hearings printed for use.

"That any and all expenses in connection with such inquiry shall be paid out of the contingent fund of the House upon vouchers to be approved by the chairman of the committee and by the Committee on Accounts: *Provided*, The expenses of said investigation shall not exceed the sum of \$10,000.

"That said committee shall report its findings to the House at the earliest possible date, together with such recommendations as it shall deem pertinent and advisable."

Under that resolution the Speaker appointed the following special committee: Messrs. John A. Peters, Maine; Clifton W. McArthur, Oregon; Oscar R. Luhring, Indiana; Henry D. Flood, Virginia; and Ben Johnson, Kentucky.

The committee held hearings on April 29, May 2, 3, 4, 9, 10, 11, 12, 13, 17, 18, 19, 23, and 24, and again on July 19, 22, 23, and 25; the latter hearings being for the purpose of inquiring into the conduct of Maj. Bruce R. Campbell. From the evidence and testimony given in those hearings the following report is made by the undersigned, a majority of the committee, to the House of Representatives:

A very brief statement of the case under investigation is as follows:

Grover C. Bergdoll, now about 28 years of age, was subject to the draft made during the recent World War. He evaded the draft, became a fugitive as a slacker, and continued such for something more than a year and a half. During that time he was in the United States, and frequently sent taunting and defiant letters to the highest authorities of our Government. His residence was in Philadelphia.

After the armistice was declared young Bergdoll returned to Philadelphia; and, it seems, spent at least a part of his time at his residence there. Just prior to January 7, 1920, the authorities received information to the effect that for several weeks he had been at one or the other of some four or five residences in or near Philadelphia. On the morning of the 7th of January, 1920, officers went to each of these residences, surrounded them, and made search of the several premises.

When the officers went to the residence owned by Grover C. Bergdoll, his mother refused them admittance, although the officers had a search warrant with them, and so told her. After spending considerable time endeavoring to get into the house one of the officers placed his pistol against the door lock and shot it off. When, in this way, they had gained entrance into the house they were confronted by Mrs. Bergdoll, who held them off with an automatic pistol. However, they managed to get that away from her and then proceeded to search the house. When every part of the house had been searched and they were about to leave without finding Bergdoll, one of the party lifted up the top of a small window seat and found Bergdoll concealed therein, although it seemed next to impossible for a man of his size to get into such small space.

When Bergdoll had come out of the window box he was handcuffed to one of the officers, and another of the officers kept the key to the handcuffs. In this manner he was transported to Governors Island at New York, where the Government had a military, disciplinary prison in charge of Maj. John E. Hunt. In due course of time he was tried, convicted, and sentenced to five years' imprisonment for violating the draft laws.

Under usual circumstances he would have been sent immediately to Fort Leavenworth, Kans., to begin serving his term. However, under one pretext or another, his being sent to Leavenworth was deferred. On May 20, 1920, he was permitted to leave the prison at Governors Island, accompanied by a guard composed of two sergeants, for the alleged purpose of going into the mountains of western Maryland to secure something more than \$100,000 in gold which he claimed to have buried there. When he reached Philadelphia on that pretended mission he made his escape, drove through the country in an automobile, accompanied by one Ike Stecker, to the Canadian line, there abandoned the automobile and went to Winnipeg, Canada. At that place, by false representations, he secured passports for himself and Stecker to London, from which place they found their way to Paris and thence into Germany; where, according to the best information, they still are.

Shortly after Bergdoll's incarceration at Governors Island it was urged that he was of unsound mind, and, therefore, should be released. However he was declared to be of sound mind.

Next, habeas corpus proceedings were instituted for the purpose of securing his release. The writ of habeas corpus failed to bring his release. Having been convicted, and both the insanity plea and the habeas corpus proceeding having failed, some other means of securing his escape had to be resorted to.

Until that time D. C. Gibboney, of Philadelphia, was chief counsel for Bergdoll. It is generally conceded that Gibboney was not much of a lawyer but more of a practical manager for better lawyers. It is in evidence, and undisputed, that Gibboney, representing Bergdoll, sought to employ Judge John W. Westcott, a very eminent New Jersey lawyer. Westcott denies vigorously that he ever accepted the employment; while Gen. Samuel Tilden Ansell and his partner, Edward S. Bailey, testified emphatically to the contrary.

It is admitted that Judge Westcott wrote a letter to the Secretary of War, stating that he (Westcott) was "enormously" interested in Bergdoll's court-martial trial, and would be glad to have the Secretary of War give his personal attention to the case. The Secretary of War courteously replied, but said that the case had not come to his personal attention, and would not unless it reached him through the regular course of business.

It is also admitted that upon a certain occasion Gibboney gave Judge Westcott a \$1,000 bill in payment of "a" fee. Judge Westcott denied that it was in payment of any fee on account of any employment by Bergdoll, stating that it was in payment of other employments.

Mrs. Bergdoll testified that at one time she paid Gibboney \$10,000 in currency. While she would not state that she ever gave Gibboney a \$1,000 bill, she did state that she kept large sums of money in her house and that upon different occasions she had many \$1,000 bills. Putting those circumstances together it is possible that the \$1,000 bill which Judge Westcott received was paid to Gibboney by Mrs. Bergdoll and then by Gibboney to Judge Westcott, but not necessarily on account of Bergdoll.

After Bergdoll had finally escaped and had fled the country, the grand jury was about to meet in Philadelphia for the purpose of returning indictments against all those engaged in the conspiracy through which Bergdoll escaped. Either just prior to the meeting of the grand jury or during their sittings, Judge Westcott wrote a letter to the Attorney General of the United States, confidently expressing the opinion that Gibboney was as innocent of any part in the conspiracy as an unborn child.

That letter was forwarded by the Attorney General to the district attorney at Philadelphia. Gibboney was not indicted.

The law firm of Ansell & Bailey was employed in April, 1920, by Gibboney to represent Bergdoll in an effort to have the court-martial conviction reversed or set aside.

As already stated, both Ansell and Bailey testified that Westcott was cocounsel, but only in "an advisory capacity," or as "advisor of Mr. Gibboney." General Ansell fell out with Judge Westcott over this question and quit speaking to him because of differences in their statements concerning it. But their falling out has nothing to do with the real issue in the case. Westcott contended for none of Ansell's fee. He merely declined to claim any of the honors (?) accompanying the victory won, not through the courts but through the gold-hunting expedition.

For the purposes of this investigation it is not deemed important whether Judge Westcott was a regularly employed and paid counsel for Bergdoll, or whether, as a friend to Gibboney, he merely was counseling him. But it can not be disputed that he was acting in either one or the other of those capacities. Neither is it considered important whether General Ansell knew in which of these two capacities Judge Westcott was acting, as General Ansell could have made and did make the same use of Judge Westcott, regardless of the capacity in which he was acting.

It is interesting to know that General Ansell, until a short time before his employment in the Bergdoll case, had been an officer in the Regular Army of the United States for about 25 years, and that during the war he was the next officer in authority to General Crowder, the Judge Advocate General. However, during the war General Crowder was more directly concerned and employed in preparing and executing the draft law, thus virtually leaving General Ansell as the Judge Advocate General.

At the time above indicated General Ansell resigned from the Army and associated himself with the law firm of Ansell & Bailey, making a specialty of military law.

Somebody conceived the idea of concentrating Gibboney's cunning and energy, Westcott's influence with the then administration, and Ansell's standing with the Army officials into one general scheme of defense or escape. Each of these three agencies—purposely or unwittingly—was effectively and concertedly at work at the same time on either one or both of these two propositions.

It was known to Gibboney, Westcott, and Ansell that during the preceding October and November, Mrs. Emma C. Bergdoll, mother of the draft dodger, had in full compliance with law, exchanged \$105,000 in currency for that amount in gold at the Treasury of the United States, which gold she claims to have buried. It must be that the mind of one or more of the attorneys just mentioned turned to Mrs. Bergdoll's alleged buried gold; and, upon that story, built the one to which reference is made in a letter sent by General Ansell to Adjutant General Harris, dated Tuesday, May 11, 1920. That story was not used by any of the Bergdoll attorneys, nor did it have any semblance of plausibility until General Ansell was employed in the case, nor until it had been colored and recolored by his fertile imagination.

It is admitted that General Ansell called upon Adjutant General Harris in the afternoon of May 11, 1920, and that later that afternoon, at his office dictated a letter to Adjutant General Harris

relative to the conversation which they had just had about Bergdoll's release. That letter, as dictated, seems not to have been sufficiently strong for General Ansell's purposes. Consequently he directed Miss Sisson, his stenographer, not to typewrite the letter until the next morning. General Ansell that night at his home, with lead pencil, wrote out another letter. Next morning that was typewritten by Miss Sisson, signed by General Ansell—not by the firm of Ansell & Bailey—and sent to The Adjutant General.

Miss Sisson, the stenographer, preserved her shorthand notes of the letter dictated on the afternoon of May 11, 1920. That letter was not sent. In her testimony before the committee she read those notes and reduced them to typewritten copy, reading as follows:

"MAY 11, 1920.

"MY DEAR GENERAL HARRIS: I wish to confirm, in this informal way, the statement I made to you a few moments ago orally in support of the request that I am making of you and the Secretary of War. I am counsel for Grover Cleveland Bergdoll, a so-called draft deserter, now in imprisonment at Fort Jay pending the review of his case by the War Department. Bergdoll is represented in Philadelphia by Mr. D. C. Gibboney, a gentleman of the highest standing in that city and a lawyer of unquestioned probity. Judge Westcott, formerly attorney general of New Jersey, and who doubtless is well and favorably known to Mr. Baker, is a consulting counsel in the case and adviser of Mr. Gibboney.

"Last Friday Mr. Gibboney, accompanied by Judge Westcott, came to my office and conferred with me about a situation concerning young Bergdoll's property, which was so strange that the truth of it under normal circumstances would hardly justify belief. In view of the fact that Mr. Gibboney believes Bergdoll's statement to be true, and in view of the numerous circumstances tending to support it, I myself believed it to be credible and such as to justify counsel in making of the department this present request.

"This young man has unquestionably inherited a very considerable property from his father. He has not heretofore developed that sense of responsibility required for the care and proper use of a large sum of money. I understand that the control and influence of his mother have not tended to the development of an adequate sense of responsibility in such matters. I am advised also that there have been family difficulties which seem to have produced a desire in this young man to get a physical control over his property, ungoverned by the other members of the family.

"The motive for his action was probably complex and not easily understood, but I am advised that at different times he took two large sums of money in gold coin and placed them in large metal containers; one, I am advised, he left with some person in western Maryland. This has been recovered. The other, Bergdoll states, he took, all alone, and buried it in an out-of-the-way place on some mountainside, at a place within a day's railway travel from this city. This sum amounts to about \$150,000 gold coin. He is quite unable to direct Mr. Gibboney or me how to find it, and of course, assuming his statement to be true, it can be found only by him in person. He is now thoroughly perturbed with the apprehension that he may never recover it, and is intensely anxious to be permitted to go with counsel and under guard to find it. He wishes to recover it and turn it over to some proper custodian for safe-keeping and investment.

"And such is my request. Upon all the facts before me, it seemed entirely reasonable to me, and so it seemed to you. I hope and believe it will seem so to the Secretary. I do not desire to ask the privilege, but only that which is necessary for this man to conserve what is his. There can be no danger of escape. The department will, of course, send such guard as it sees fit, and all expenses will be borne by us. In addition, I shall hold myself, as counsel, responsible for the safe return of this prisoner to his place of confinement and that no advantage will be taken of such leave as is granted other than that which is the object of this request.

"May I ask that this communication, for the time being, will be kept within the knowledge of you and the Secretary alone, and may I ask you to take it up at your very earliest convenience with Mr. Baker and let me know the result?

"With very kindest regards, I am,

"Very sincerely, yours."

The general tenor of the above letter, which was not sent to General Harris, should, by all means, be compared with the one which was sketched out that night with lead pencil, and which was sent the next day to General Harris. The charges made were most adroit and clever; were not authorized by other counsel in the case whose names were used; in some instances, were not warranted by the facts.

The letter actually sent reads as follows:

ANSELL & BAILEY, ATTORNEYS AT LAW,  
Suite 710-712, Riggs Building, Washington, D. C., May 11, 1920.

MY DEAR GENERAL HARRIS: Please permit me, in compliance with your helpful suggestion of a moment ago, to place before you in this manner my request, concerning which I have just spoken to you, in behalf of Grover Cleveland Bergdoll, together with a brief statement of the reasons therefor.

This man, in virtue of his conviction and sentence as a so-called draft deserter is now imprisoned at Fort Jay, pending the review of his trial by the War Department. I am his attorney. His home counsel in Philadelphia is Mr. D. C. Gibboney, of unexcelled repute as a man and a lawyer. Of counsel, also, in a consulting capacity, is Judge Westcott, of New Jersey, whom doubtless the

Secretary well knows. These gentlemen visited me last Friday and related to me a situation which we believe to be true and which impels us to submit this request.

This young man was reared fatherless under family conditions which, even when partially revealed, throw considerable light upon conduct of his that, to say the least, is strange if not unintelligible. From his father he inherited wealth. Apprehending the family desire to control his share he at times has openly submitted and at others has become secretive of his wealth. This latter, perhaps, is the most influential of the many complex motives for his actions in the instance I now speak of. In any event, it is now known that he did secrete one large sum of money which was recovered a year or so ago. He now declares that he also hid a second large sum, the remainder of his fortune (\$150,000), in a lonely spot on a mountainside, distant about a day's journey from this city; that he placed the gold coin in a metallic container and took it himself, unaccompanied, and hid it in a spot which he alone can identify. Circumstances indicate the truth of his statement.

He is now wrought up with fear and anxiety lest he may never recover the money, and accordingly earnestly asks me, other counsel joining him, to endeavor to arrange it that he may go, under guard and with his counsel, to recover the money and place it in safe-keeping; all expense to be borne by us.

We are requesting no privilege—only the necessary liberty of action under guard. This prisoner has no desire to escape, nor could he if he wanted to. Notwithstanding the guard, as his counsel, I stand responsible for his prompt return to prison without advantage to him other than that involved in the object of this request.

I hope this request may be granted immediately. It seems reasonable and right to me, and also to you, and I hope—and doubt not—that it will seem so to the Secretary.

May I ask prompt action upon this request? May I also ask that, if possible, knowledge of the contents of this communication, for obvious reasons, be confined to you and the Secretary, and further that you notify me personally at the first practicable moment after you have decided upon this request?

With kind regards for your many courtesies, I am,  
Sincerely,

S. T. ANSELL.

The purpose of these changes is obvious when the two papers are compared and the end to be accomplished considered.

In the first sentence of the letter, which was not sent and which afterwards was pruned and put into more seductive form, he made the request of both General Harris "and" the Secretary of War; while the letter which was actually sent used this language:

"It seems reasonable and right to me, and also to you, and I hope—and doubt not—that it will seem so to the Secretary."

If the letter had been sent as first written, it would have been necessary that the request go to the Secretary of War. The second letter—the one that was sent—merely expressed the hope that the request might seem reasonable to the Secretary, but omitted the specific request that the matter be referred to the Secretary.

Another sentence in the letter which was not sent reads as follows:

"Judge Westcott, formerly attorney general of New Jersey, and who doubtless is well and favorably known to Mr. Baker, is a consulting counsel in the case and advisor of Mr. Gibboney."

That sentence was changed to read as follows in the letter that was sent:

"His home counsel in Philadelphia is Mr. D. C. Gibboney, of unexcelled repute as a man and a lawyer. Of counsel also, in a consulting capacity, is Judge Westcott, of New Jersey, whom doubtless the Secretary well knows."

General Ansell is a man of extraordinary native ability, wonderfully improved by training and education. No man better knows the exact use of words and their effect than does he. The conclusion is irresistible that General Ansell was then using with emphasis the name of Judge Westcott to bring influence to bear upon the Secretary of War, should the communication ever reach him; and, just as certainly, to bring to bear additional influence with General Harris.

Also, in the letter first dictated, he said that Judge Westcott was "advisor of Mr. Gibboney." That expression or assertion is left out of the letter which was sent. Is it possible that General Ansell, even at that time, was giving more or less thought, with the view of later dividing responsibility, to the attitude of non-employment which Judge Westcott assumed? Westcott admitted that he "advised" with Gibboney, but denied that he was employed by Bergdoll, and there is no contradictory proof.

In the letter which was not sent General Ansell used this language:

"Last Friday Mr. Gibboney, accompanied by Judge Westcott, came to my office and conferred with me about a situation concerning young Bergdoll's property, which was so strange that the truth of it, under normal circumstances, would hardly justify belief."

Upon consideration by General Ansell that language must have appeared too strong. No doubt he was apprehensive that that language might raise with General Harris a question as to the plausibility of the whole story. In that language General Ansell stated, in substance, that Gibboney and Westcott had conferred with him about a situation which "would hardly justify belief." So, if the story about which Ansell, Gibboney, and Westcott "conferred" would "hardly justify belief," it must be changed, if

General Harris was expected to accept and act upon it. Then General Ansell's statement was changed into being such a plausible one that all of them—including Ansell—believed the story; and, in consequence, were "impelled" to make the request.

The changed or altered statement reads as follows:

"These gentlemen visited me last Friday and related to me a situation which we believe to be true and which impels us to submit this request."

When General Ansell dictated the statement that "would hardly justify belief," that statement being the result of a conference with Gibboney and Westcott, one must wonder whether or not those two gentlemen, or either of them, consented to the change from lack of belief to one so certain that they were "impelled" by it to ask for Bergdoll's release. It is a self-evident fact—the others not being in Washington—that Ansell made the change without consulting the others. He attributed to each of them a "belief" which, perhaps, neither entertained. In the first draft it is not stated that either believed the story, but in the second all are represented as believers in it.

It is interesting to note the reasons assigned by General Ansell for the burial of the gold. In the letter not sent he uses this language:

"This young man has unquestionably inherited a very considerable property from his father. He has not heretofore developed that sense of responsibility required for the care and proper use of a large sum of money. I understand that the control and influence of his mother have not tended to the development of an adequate sense of responsibility in such matter. I am advised also that there have been family difficulties which seem to have produced a desire in this young man to get a physical control over his property, ungoverned by the other members of the family."

In the letter actually sent to General Harris, General Ansell gave the following as an explanation of the unusual conduct of Grover Bergdoll:

"This young man was reared fatherless under family conditions which, even when partially revealed, throw considerable light upon conduct of his that, to say the least, is strange if not unintelligible. From his father he inherited wealth. Apprehending the family desire to control his share, he at times has openly submitted and at others has become secretive of his wealth. This latter perhaps is the most influential of the many complex motives for his action in the instance I now speak of."

In the letters not sent, General Ansell speaks of certain vague "family difficulties," which "seem" to have caused Bergdoll to desire a physical control of his property. These paragraphs clearly illustrate the difficulties, which even the astute mind of Ansell could not overcome, in giving adequate and sufficient explanation of the motives which prompted Bergdoll to bury the gold. Some excuse for this conduct had to be given, and the labored efforts of Ansell have only tended to make confusion worse confounded.

The letter which was not sent used the language, "There can be no danger of escape." That was changed in the letter which was sent to, "This prisoner has no desire to escape." That change makes the statement stronger to General Harris and also lays the foundation for denial of personal responsibility in the future for counsel not attending the expedition.

It should be noted that General Ansell did not merely express the opinion that the "prisoner has no desire to escape." Instead he made the unqualified statement to that effect. How did he know the prisoner had no desire to escape? According to his own admissions, he then had had no communication with the prisoner relative to the expedition for the buried gold; and consequently no direct information upon which to base that statement as fact. It may be that the other attorneys who consulted with General Ansell about the release to get the alleged buried gold agreed to the statement that "there can be no danger of escape"; but it is possible at least that they would not have approved the statement as fact that Bergdoll had "no desire to escape." The former statement, no doubt, was based on the then—but afterwards violated—arrangement that one of counsel was to accompany the expedition; that the prisoner was to be handcuffed; that a commissioned officer was to go along; and that the guard was to be both ample and properly instructed.

The first proposition, accompanied by the foregoing considerations, is quite different from the one that "the prisoner has no desire to escape," especially since each and every one of the conditions just related were to be utterly disregarded.

It is going a long way for one of the counsel to make such a wide departure from the original statement without having the approval of the counsel whose names were used in the communication conveying the changed representations.

In the letter which was sent there is something that does not appear in the one which was not sent. That language is this:

"He (Bergdoll) is now wrought with fear and anxiety lest he may not recover the money, and accordingly earnestly asked me (Ansell), other counsel joining him, to endeavor to arrange it that he (Bergdoll) may go, under guard and with his counsel, to recover the money and place it in safe-keeping; all expenses to be borne by us."

When it is considered that General Ansell stated that he had no communication with Bergdoll after he saw him at Governors Island on April 17, when, according to General Ansell, no mention was made of the proposed search for the buried gold, was very remarkable, to say the least.

It will be noticed that General Ansell says in the above quotation that Bergdoll earnestly asks him to endeavor to arrange it so that he (Bergdoll) may go, under guard and with his counsel, to recover the alleged buried gold.

If, at that time, General Ansell had had "no communication" with Bergdoll relative to the matter, how is it possible that Bergdoll so "earnestly" made that request of him? General Ansell can not claim that that request was conveyed to him through either Gibboney or Westcott, for the reason that he himself says in the above-quoted paragraph that the request was made by Bergdoll, "other counsel joining him" in the request. Nothing of that sort was said in the letter which General Ansell dictated to his stenographer immediately after he left General Harris on May 11. That must have been an afterthought, originating in his own mind, and not warranted by the statement of either Gibboney or Westcott.

In both letters—the one which was not sent and the one which was sent—General Ansell stated that he would be responsible for the return of the prisoner.

General Ansell in his testimony repeated several times the statement that General Harris "did not expect" him to accompany Bergdoll on the expedition; but that he did expect some one or more of counsel, to accompany it. Both General Ansell and his partner, Mr. Bailey, testified that the agreed arrangement was that Mr. Bailey was, at least, to meet the expedition at Hagerstown, Md., and accompany it during the remaining 20 or 25 miles of the proposed journey to the spot where the gold was said to be buried. The law firm of Ansell & Bailey was employed by Bergdoll, but General Ansell did not pledge the firm to see to it that Bergdoll was returned. Instead, the pledge was General Ansell's personal one.

It has been admitted by General Ansell and by everybody else who testified upon that point, that at least one of Bergdoll's attorneys was to accompany the expedition.

General Ansell himself did not state that he told General Harris that he himself would not accompany the expedition. He merely expressed the opinion that General Harris "did not expect" him to do so. If General Ansell himself was not to go, but counsel was to go, then the question arises: Whom did General Harris "expect" would go? Neither of General Ansell's letters—the one which was sent nor the one which was not sent—indicates that Westcott was to go. In the letter which was sent, Westcott is referred to as an attorney "in a consulting capacity," while in the one which was not sent, Westcott was referred to as an "advisor of Mr. Gibboney." In addition, Westcott is an old, palsied man, not physically equal to the trip outlined by General Ansell.

General Ansell himself did not in his testimony make even the slightest claim that Westcott was to go. Therefore, according to General Ansell, no attorney except Gibboney or Bailey could have been expected to go. General Ansell says he himself did not contemplate making the trip; and since he knew that Judge Westcott could not, if he would; and, further, since he knew two days and two nights before the expedition started that his partner, Mr. Bailey, was not going, he was bound to know that the only one of counsel who might possibly accompany the expedition from beginning to end was Mr. Gibboney.

General Ansell knew several days in advance that the expedition would start May 20; and he knew that Gibboney himself did not contemplate making more than a part, if any, of the journey. So, there is no escape from the conclusion that General Ansell knew, at least two days and two nights before the journey started, that his pledge made to General Harris in this respect was to be violated.

When General Ansell was on the witness stand the question was put to him a number of times, and by different members of the committee, to indicate at least one specific act done by him looking toward the redemption of that pledge. To each and every one of these questions he was either nonresponsive or evasive. To some of them he replied, in substance, that he had sought to have Bergdoll recaptured after the escape had been accomplished. In other words, all that he specifically claimed to have done was to undertake to lock the stable door after the horse had gone. He plead, in extenuation, after Bergdoll had escaped, that he offered a reward for his recapture. If he had been recaptured and the reward had been claimed, no doubt every one of the many who furnished information here and there would have claimed all or part of the reward, and litigation over it would have been interminable, and the day of payment far in the future, if at all. Then, it is most probable, indeed, that an officer, and not a private citizen, would have made the arrest; and an officer can not maintain a cause of action to enforce the payment of a reward for making an arrest which he should have made regardless of the reward.

The two letters—the one which was sent and the one which was not sent—when taken in connection with all of the other happenings in the case, show that General Ansell was not only taking advantage of his long association in the Army with General Harris but was actually misleading him into having Bergdoll released for the purpose of seeking the alleged hidden gold. It also is clear that he undertook to use Judge Westcott for the purpose of bringing to bear a political influence upon anybody in the then administration who might be needed to make sure of the gold-hunt release which at last spelled Bergdoll's escape. Then when Judge Westcott, in response to General Ansell's urging, had not seen the Secretary of War in person, Ansell, still using him, had him write a letter to the Secretary of War, asking him to take Bergdoll's case under personal advisement.

It was known to General Ansell that Judge Westcott had put Woodrow Wilson in nomination for the Presidency of the United States, both at Baltimore and four years later at St. Louis, and that Westcott was a personal friend of both the President and

the Secretary of War. Knowing that, he took particular pains to inject Westcott's name into the letter which he wrote General Harris, and then, in his presence, had Westcott write a letter to the Secretary of War in Bergdoll's behalf, based upon Westcott's alleged "enormous" interest in the case.

It was made clear that Westcott's services as active counsel in the case were sought by both Gibboney and the Bergdolls, and just as clear that Westcott declined to act in that capacity.

Since Gibboney, practicing only in the civil courts, and Ansell, practicing as an expert in military law, met, it matters little which found the other, or how, as both were on a hunt for the Bergdoll gold, and each got much of it.

After the employment of the firm of Ansell & Bailey, both Ansell and Bailey visited Governors Island and saw Bergdoll, their visits being made at different times. Mr. Bailey returned from Governors Island to Washington and reported to General Ansell at his residence on the night of the 17th of May, at which time it became understood and agreed between them that neither was to go upon any part of the expedition. The question naturally arises that if one or the other of them was to go—and Bailey admits that he had agreed to join the expedition at Hagerstown, Md.—why was there a change of mind just following Bailey's return from a visit to Bergdoll, to the effect that neither was to go at all. And further, why was not General Harris so advised? He was within a stone's throw of them during these two days and two nights. What happened between May 11 and May 17 that did away with the necessity of even Bailey's going? Was information received by either Ansell or Bailey at Governors Island, where Bergdoll was confined under Colonel Hunt, that the gold was not buried at Hagerstown, or that the expedition would not proceed beyond Philadelphia, where Mrs. Bergdoll says the gold was buried, and at which point Bergdoll escaped?

The fact has been established by Treasury officials that Mrs. Bergdoll, during October and November, 1920, exchanged \$105,000 in currency for that amount in gold; and it is conceded that she took that gold by automobile from Washington to Philadelphia.

About a month and a half after Mrs. Bergdoll got the \$60,000 in gold, which was the last amount gotten, young Bergdoll was arrested in his mother's house in Philadelphia. Shortly after his arrest and his transfer to Governors Island, he there commenced telling about having buried two different amounts of gold. His mother had gotten two different amounts of gold—\$45,000 and \$60,000—and she has testified that she made two different burials of these amounts. She further states that her son neither knew that she had gotten gold nor that she had buried any.

It is admitted by Mrs. Bergdoll that young Bergdoll had been at her house in Philadelphia quite a little between the time she got the gold and the time when he was arrested and taken away to Governors Island. It is strikingly strange that he should be telling his associates in prison and counsel that he had buried two sums of gold amounting to more than \$100,000; while, if we believe the mother, she had actually buried the two different sums aggregating approximately the same amount of which Bergdoll himself was speaking.

The conclusion is not an unreasonable one that, if Mrs. Bergdoll did bury the gold gotten from the Treasury and did make two different burials of it, then young Bergdoll must have known of the whole transaction. Otherwise he only imagined or dreamed of a condition that exactly coincided with the undisclosed but actual doings of his mother.

On the 19th of April, 1920, General Ansell prepared a contract fixing the fee which the firm of Ansell & Bailey was to receive as attorneys for Bergdoll. That tentative contract was submitted by General Ansell to Mr. Gibboney for his approval, but Mr. Gibboney declined to approve it. Thereafter, on the 23d day of April, Mr. Gibboney himself, representing Bergdoll with *carte blanche* authority, submitted a counter, tentative contract to General Ansell.

Under the terms of the first tentative contract Ansell & Bailey, according to the construction put upon it by Mr. Bailey, could have received \$60,000. Still, according to Mr. Bailey, under the tentative countercontract submitted by Mr. Gibboney, Ansell & Bailey could have received \$55,000.

General Ansell stated in his testimony that the tentative contract submitted by Gibboney to him was never executed, notwithstanding the fact that he also stated that the terms of that tentative countercontract were agreeable to him. Now the question arises: If Gibboney prepared and submitted a paper whereby \$55,000 was to be paid, and that paper was fully acceptable to Ansell, why was it not executed? Gibboney, when submitting the countercontract, was personally present with Ansell. All that was necessary was for both of them to sign it. Something, we know not what, only by surmise, must have become understood between those two men upon that occasion that caused them to abandon the execution of a contract agreeable to them both. But it is certain that after that date, from all the committee has been able to gather, neither the execution of that contract nor any other was ever mentioned or pressed by either of the proposed parties to it. General Ansell had gone to the trouble to prepare a contract for employment, and Gibboney had done the same about a counter one; yet, when their minds met in full agreement, all attempts to conclude the contract were abandoned by both.

For all that the committee really knows, General Ansell was employed by Gibboney to represent Bergdoll only in the then pending litigation between the United States and Bergdoll. General Ansell refused to even look at the first papers until he had been paid \$100, and he refused to have anything to do with the case until he

had been paid \$5,000 more. Yet we find him departing from that employment and taking up another important piece of work, that of securing the expedition, without disclosed fee or contract for fee, when the actual work to be done by himself and partner, including the visit to Governors Island and the agreement to accompany the expedition for many miles in a mountainous region, to say nothing of the obligation for the prisoner's return, was bigger and more onerous—besides being fraught with the danger of questionable ethics—than was the original proposition, for which he proposed to charge \$60,000.

The absence of a fee or a contract for one must be significant when taken in connection with one whose ever first thought seems to have been given to the payment or securing of a large fee.

The suggestion that Bergdoll's escape defeated the collection of the Ansell fee is fallacious. Bergdoll had nearly \$1,000,000 worth of property within reach with which to pay fees at any time, either for the preparation of the brief in the military case or for procuring the gold-hunting expedition. Consequently it was not necessary to find the gold in order to get the fee.

Already it has been shown that neither Ansell nor Bailey contemplated going with the expedition after Bailey's return from Governors Island, where he saw Bergdoll two days before the expedition started. The only remaining attorney who might be expected by anybody, even by General Ansell himself, to go upon the expedition was Gibboney, and he even failed to accompany the expedition from New York to Philadelphia.

When Bergdoll arrived at the railroad station in North Philadelphia from Governors Island, Gibboney was there to meet him with a letter of identification from Colonel Hunt. However, Gibboney rode only a few blocks in the automobile with Bergdoll and his guards, when he abandoned the party never to join it again.

Mrs. Bergdoll testified that on the next morning, after she received each of the sums of gold, she had her chauffeur to drive her away from her residence to a point where she said she buried it. The Bergdolls owned a farm about 11 miles out of Philadelphia. Mrs. Bergdoll stated that she took the gold in her automobile and took along a shovel with which to bury it. She stated that when she had reached the spot of burial she sent her chauffeur away from the automobile to gather apples, and that while he was gathering apples she buried the gold. If that be true, the gold was buried on the Bergdoll farm, and it was not contemplated that the expedition procured by General Ansell was to go beyond Philadelphia. Can it be possible that an ascertainment of the fact that the gold which Mrs. Bergdoll had gotten from the Treasury had been buried on the Bergdoll farm, not far from Philadelphia, caused all of counsel to repudiate the pledge that counsel was to accompany the expedition?

The fact has been established that when Bergdoll and his guard arrived at North Philadelphia, under directions of Mr. Gibboney, who held Colonel Hunt's letter of identification, they went to the Bergdoll residence, accompanied by "Judge" Romig and Ike Stecher. Stecher is the man who fled with Bergdoll and who now is in Germany with him. The further fact has been just as well established that on that very afternoon these same parties drove out to the Bergdoll farm and roamed about over it, instead of going on to Hagerstown, Md., as represented to General Harris by General Ansell would be done.

In view of the foregoing, how is it possible to hold General Ansell blameless? Being 46 years of age, he is just in the prime of all of his abundant faculties. He is both able and alert. Intellectually he is wonderfully endowed; and, having spent 25 years in the Army, where he had every phase of humankind to deal with, we must believe that he was fully equipped to counter any attempt at deception upon the part of Bergdoll, Gibboney, or the guards. He was far from being such a novice in the affairs of the world that Gibboney, Bergdoll, Romig, or the guards could have pulled the wool over his eyes and blinded him as to the inevitable result of the expedition which he alone had procured. Anybody who has seen and heard all of those associated, either directly or indirectly, with the plan or manner of Bergdoll's escape not only must recognize General Ansell as the master mind of them all but also as their dominating and controlling spirit. He is not the kind of man that will merely follow. Upon the other hand, his is the character of one who must lead. His ability, his experience, have equipped him to lead even the most intelligent of associates.

Bergdoll's escape was the direct result of the proposition submitted by General Ansell to General Harris. Even if General Ansell did not conceive the plan, he presented it and pursued it to its accomplishment. The others had exhausted all remedies known to them as attorneys practicing in the civil courts. It was General Ansell, resourceful and conversant with military possibilities, who must have conceived it.

In fact, Gibboney, Romig, and the Bergdoll family, conspiring among themselves, were unable to bring about the order for Bergdoll's release. Such, of course, was the object of the conspiracy, but in order to successfully accomplish it it was absolutely necessary to have the active assistance and cooperation of Ansell and Bailey and Colonel Hunt. Without the aid of these latter Bergdoll could not have left Governors Island.

When Bergdoll was arrested on January 7, 1920, as already said, he was taken, in handcuffs, directly to Governors Island, N. Y., and put in charge of Colonel Hunt, commandant of the military disciplinary barracks at that place.

While Bergdoll was confined there Colonel Hunt was several times apprised of the dangerous character of Bergdoll and of the probability of his attempting to escape. The police authorities at Philadelphia well knew Bergdoll's character as a dangerous, reckless fellow. Notwithstanding that advice, Colonel Hunt, ac-

cording to his own testimony, preferred to rely upon a board of psychiatrists as to Bergdoll's character.

When Bergdoll was arrested on January 7, 1920, after he had been a fugitive for more than a year and a half, approximately 30 guns and pistols were found in the house in which he was arrested. One of those guns was a rifle equipped with a Maxim silencer. All these weapons were removed from the house by Government authorities. However, immediately after his final escape from the same house on May 21, 1920, it was discovered that the supply had been replenished, as seven shotguns in the meanwhile had been brought in. In addition there was a pistol or two and a blackjack in the house. After his escape to the Canadian line had been accomplished, and he had abandoned his automobile there, a large revolver and a Lueger repeating pistol were found in his automobile. These facts bear out the Philadelphia police in their opinion that Bergdoll was a dangerous man and would do violence if the occasion for doing so presented itself, the opinion of Colonel Hunt's board of psychiatrists to the contrary notwithstanding.

Colonel Hunt admitted that he disregarded the admonitions and warnings as to Bergdoll's character and his possible escape; and, instead, relied upon the diagnosis made by his board of psychiatrists. When testifying in his own behalf during his court-martial trial, and while referring to the warnings about Bergdoll, Colonel Hunt said:

" \* \* \* The weight of those two warnings—the legal obligations contained in them—was just about the legal obligations of a communication from the mayor of Timbuctoo." (P. 260, court-martial trial of Colonel Hunt).

One of the warnings given to Colonel Hunt was dated March 8, 1920, and was signed by William Weigel, colonel, General Staff. The communication reads as follows:

"1. Attention is directed to letter from the department adjutant dated January 20, 1920, addressed to you and relating to Grover C. Bergdoll.

"2. In addition to the precautions directed in the letter referred to above, the department commander directs that at all times when Bergdoll leaves the walls of Castle William, he be guarded by two armed sentinels. Whenever Bergdoll in his present status leaves the island, the commanding general directs that he be handcuffed to one sentinel and guarded by another sentinel. The dangerous character of this prisoner has been reported by the police authorities of Philadelphia, who are in a position to know the amount of force which is probably necessary for his restraint, and this direction is made because of the information gained from these experienced police officials."

Relative to those warnings Colonel Hunt, in his court-martial trial, testified as follows:

"Q. I asked you if you considered him a dangerous prisoner?—A. During the time of his trial I had more accurate information and was in better position to judge, in my opinion, of the dangerous character of Bergdoll, of his criminal mind, than the judge advocate, than the judge advocate's office, or the judge advocate of the department, or anybody else; I had received full information from a careful and scientific investigation, conducted by a board of officers, who inquired into his sanity. I received information from Major Baker, who was my psychiatrist, and I regarded it as absolutely dependable. At the time I received these two communications I knew all about Bergdoll. I had received the official and scientific opinion of an authority in regard to Bergdoll. Those letters were worth to me just as much as they were based on facts, and they were not based on any facts at all. So far as this information was concerned, there wasn't anything in that."

That was one of the several instances of his defiance of superior authority in Bergdoll's favor.

In addition to the court-martial trial with which we are now dealing, Colonel Hunt was court-martialed three times on the charge of drunkenness. In one of these court-martial proceedings he was sentenced to be dismissed from the service. Appeal was made to President Taft, who, in his usual good nature commuted his punishment to that of a reduction of 50 fives. Upon one of these three occasions he undertook to anticipate and prevent conviction by making a solemn pledge that he would not indulge in any intoxicating liquors for a period of 10 years. That promise he failed to keep.

There can be no better nor more convincing proof of Colonel Hunt's defiance of authority and ignoring of instructions than is found in his own testimony before his court-martial trial on account of the Bergdoll escape.

Throughout that whole court-martial trial he contended that Bergdoll should have been treated like the least offending prisoner, notwithstanding the information which had been conveyed to him relative to Bergdoll's dangerous character, and his probable attempts at escape. His contention to that effect was based entirely upon the report of the psychiatrists, the actual and patent facts to the contrary notwithstanding. Besides Colonel Hunt was conducting the prison on an "uplift" policy. He introduced witnesses to prove, in effect, that it was better to trust Bergdoll to the extent that he did well-known harmless prisoners than to keep him confined or under close surveillance, as he had been instructed to do.

He resented every suggestion made to him relative to keeping a close watch over Bergdoll. His determination to pursue his own narrow way about things, his ignoring directions and defying instructions from the higher authorities at Washington are not short of being criminal; and Bergdoll's escape is traceable directly to that criminality as one of the several important happenings contributing to that deplorable end.

Colonel Hunt first endeavored to excuse what, justly, may be termed the insufficient guard, by claiming that he alone had the right to determine how much of a guard should accompany the prisoner, and that nobody else had any right even to make suggestions as to the sufficiency of the guard. Throughout his testimony in the court-martial trial he constantly exhibited that resentment and defiance.

When that attitude had aroused criticism, he sought shelter under the assertion that he did not have a commissioned officer who could be spared when the expedition started.

He said that one commissioned officer was absent on leave, and that another had just returned from taking some prisoners out to Leavenworth, and was too fatigued to then go upon this expedition; and that, in consequence, he sent the prisoner out accompanied by only two sergeants.

When he made that statement he must have thought that other people would overlook the fact that he himself could select the day and the hour when the expedition should start. Therefore, he, after a conference with Bergdoll's counsel and some of the convicted conspirators, chose a day when, according to his own statements, he knew he could not comply with the instructions of his superior officers by sending a commissioned officer along. Except that he was acting in defiance of instructions, and in collusion with the prisoner, his friends, and his attorneys, he would have selected a day for the expedition when all instructions could have been complied with, including the sending of a commissioned officer.

Bergdoll received surprisingly considerate treatment from Colonel Hunt. A man named Speicher slept in the same cell with Bergdoll. Speicher made many trips to New York during that time. There is no doubt that Bergdoll kept in close touch with the outside world through Speicher, as well as through others.

Harry Weinberger, the New York lawyer, testified that Speicher upon one occasion came to his office and brought a note from Bergdoll. About that time Speicher got into some trouble and \$200 was necessary to get him out of it. That amount was paid by Bergdoll through his mother. If Speicher was receiving that gift and probably others from Bergdoll, and delivering communications to Weinberger, it is reasonably certain that he was delivering communications from Bergdoll to outsiders and from outsiders to Bergdoll.

Mrs. Bergdoll testified that she was permitted to place \$700 in the prison at the disposal of her son, in order that he might purchase knickknacks for his fellow prisoners.

When O'Hare, one of the sergeants who was to accompany Bergdoll upon the expedition, was about to start thereon, he asked Colonel Hunt for handcuffs, but they were refused.

While in prison Bergdoll and the other prisoners were clothed in prison garb, easily distinguishable, and upon the clothing of each was a prison number. Colonel Hunt sent other prisoners than Bergdoll to Philadelphia, and he sent them in the prison garb, bearing their prison numbers. But when he came to send Bergdoll on his buried-gold mission he had the prison garb removed and clad him in the uniform of an honorable soldier, except there was no cord around the hatband. It is quite easily seen that if Bergdoll had escaped in his prison garb, bearing a prison number, many persons would have been willing to halt him and bring him to account, but the fact that he was clad in the uniform of a soldier of our country threw off suspicion and, instead of blocking his escape, made it easier, as all respected the uniform of the country. Every direction which looked toward Bergdoll's safe-keeping was rejected by Hunt, and everything that might facilitate his escape was done without question or quibble.

There is some conflict between the testimony of Colonel Hunt and that of Sergeant O'Hare relative to the instructions given by Colonel Hunt to O'Hare when he was told that he was to go on the expedition as one of the two guards. Notwithstanding this conflict it is quite certain that the main instructions given to O'Hare by Colonel Hunt were given merely by submitting to him, and having him read the official letters from Washington.

It appears that Colonel Hunt called Sergeant O'Hare into his office and told him that the expedition would start on the morning of the 20th, and that he and another sergeant were to constitute the guard; but that as between himself and the other sergeant, he (O'Hare) was to be the principal officer.

Then Colonel Hunt gave the official letters to Sergeant O'Hare and told him to read them. While O'Hare was reading the letters Hunt turned to his desk and wrote with pen and ink.

When O'Hare had finished reading the letters Hunt turned to him and asked him if he understood them. O'Hare answered affirmatively.

Colonel Hunt never asked O'Hare a single question for the purpose of ascertaining whether or not he correctly understood them. He made no effort whatever to learn whether O'Hare understood them just as he, himself, did. As a matter of fact, O'Hare left Colonel Hunt and went upon the expedition as the principal guard, with only his own construction of the letters, without having them explained by Colonel Hunt, and without ascertaining whether the two of them understood the letters alike.

O'Hare testified that when he asked Colonel Hunt to give him handcuffs so that Bergdoll might be handcuffed, Hunt replied that handcuffs would make Bergdoll "too conspicuous."

To test O'Hare's capacity to correctly understand the letters which Major Hunt, without explanation, had shown him, he was asked to spell the word "conspicuous," a word used by Hunt in talking to O'Hare. He spelled it "c-o-n-p-i-c-i-o-u-s."

The following colloquy during the hearings will clearly show O'Hare's lack of education and his consequent lack of ability to properly interpret the letters:

"Mr. JOHNSON. What did you say that Colonel Hunt said about the handcuffs?"

"Sergeant O'HARE. He said they would be too 'conspicuous.'"

"Mr. JOHNSON. Too 'conspicuous?'"

"Sergeant O'HARE. Yes, sir."

"Mr. JOHNSON. Spell the word, please."

"Sergeant O'HARE. C-o-n-p-i-c-i-o-u-s."

"Mr. JOHNSON. The first line of the letter which General Ansell wrote to General Harris, and which letter was submitted to you by Colonel Hunt on that occasion for you to read, starts out this way: 'Please permit me, in compliance with your helpful suggestion.' What does the word 'compliance' there mean?"

"Sergeant O'HARE. To request him to do something."

"Mr. JOHNSON. Tell the committee what you think the word 'compliance' means."

"Sergeant O'HARE. To do something."

"Mr. JOHNSON. The second paragraph in the same letter starts out this way: 'This man, by virtue of his conviction and sentence as a so-called draft deserter, is now imprisoned at Fort Jay, pending the review of his trial by the War Department.'"

"What does the word 'virtue' in that sentence mean?"

"Sergeant O'HARE. I couldn't say."

"Mr. JOHNSON. What does the word 'pending' in that sentence mean?"

"Sergeant O'HARE. Pending the opening up of the case, waiting for a new trial."

"Mr. JOHNSON. The next sentence in the letter reads: 'I am his attorney. His home counsel in Philadelphia is Mr. D. C. Gibboney, of unexcelled repute as a man and lawyer.' What does 'repute' mean in that sentence?"

"Sergeant O'HARE. A man who is honest and a good reputation."

"Mr. JOHNSON. What does 'unexcelled' mean?"

"Sergeant O'HARE. Unexcelled? Can't be beat."

"Mr. PETERS. That is right."

"Mr. JOHNSON. Spell 'unexcelled.'"

"Sergeant O'HARE. U-n-e-x-c-e-l-l-e-d."

"Mr. JOHNSON. Another sentence in this letter reads: 'Of counsel also in consulting capacity is Judge Westcott, of New Jersey, whom doubtless the Secretary of State well knows.' What does the word 'consulting' there mean?"

"Sergeant O'HARE. To assist."

"Mr. JOHNSON. 'Whom doubtless the Secretary well knows.' What does the word 'doubtless' mean?"

"Sergeant O'HARE. Well known."

"Mr. JOHNSON. In the next sentence I find the word 'impels.' What does that mean?"

"Sergeant O'HARE. Impel is to assist."

"Mr. JOHNSON. In the next paragraph I find the word 'partially.' What does that mean?"

"Sergeant O'HARE. A kind of a helping hand."

"Mr. JOHNSON. Spell it."

"Sergeant O'HARE. Partially?"

"Mr. JOHNSON. Yes."

"Sergeant O'HARE. I can't do it."

"Mr. JOHNSON. Make an effort at spelling it."

"Sergeant O'HARE. I can't do it. I can't spell it."

"Mr. JOHNSON. In the next line I find the word 'unintelligible.' What does that mean?"

"Sergeant O'HARE. Don't know anything; don't know much."

"Mr. JOHNSON. In the next line I find the word 'complex.' What does that mean?"

"Sergeant O'HARE. Complex?"

"Mr. JOHNSON. Yes."

"Sergeant O'HARE. A peculiar case."

"Mr. JOHNSON. In the concluding sentence of General Ansell's letter to General Harris I find the word 'obvious.' What does that mean?"

"Sergeant O'HARE. I don't know, sir."

"Mr. JOHNSON. Can you spell it?"

"Sergeant O'HARE. O-b-i-o-u-s."

"Mr. JOHNSON. In the same sentence I find the word 'practicable.' What does that mean?"

"Sergeant O'HARE. Reliable."

"Mr. JOHNSON. Colonel Hunt, as I just said, has testified that he turned these letters over to you that you might read them for the purpose of being instructed as to what you were to do and where you were to go upon that journey. You now state, do you not, that you do not know the meaning of some of the words in those letters?"

"Sergeant O'HARE. Yes, sir. When I read a sentence I can almost make out what it is, or read a paragraph."

It will be noticed by the last question and answer that O'Hare admitted that he did not know the meaning of many of the words in the letters. According to his own statement the best he can do is "almost" make out what it means.

York, the sergeant who, with O'Hare, constituted the guard, admittedly was given no instructions whatever. If anything had happened to O'Hare, York would have been absolutely without any sort of instruction.

As said, while O'Hare was reading the two letters, Hunt was writing a letter in longhand to Gibboney. That letter was shown by Hunt to O'Hare, that O'Hare might be able upon reaching North Philadelphia to identify Gibboney, by whom the letter was

to be shown to O'Hare when he reached Philadelphia to report to Gibboney. That letter reads as follows:

GOVERNORS ISLAND, N. Y., May 17, 1920.

MR. D. CLARENCE GIBBONEY.

SIR: This letter is to serve the purpose of your identification in the matter which was arranged in my quarters on Governors Island.

Very respectfully,

JOHN E. HUNT, Major, Infantry.

When O'Hare, with his prisoner, arrived at the North Philadelphia station, Gibboney went to O'Hare and presented the letter which had been written by Hunt, and which O'Hare had seen before it was mailed to Gibboney. O'Hare states positively, and the above letter and every other circumstance bears him out, that when the expedition reached North Philadelphia, Gibboney, as Bergdoll's attorney, was to have control as to where the party should go. O'Hare, following his construction of the letters, including the one of identification written by Hunt, clearly showed that Hunt intended that O'Hare should report to Gibboney at Philadelphia, and there receive instructions from him as to the rest of the journey, since it is admitted by all that O'Hare knew neither the road nor the destination.

Believing, and correctly so, that from that moment Gibboney was to control their movements, O'Hare followed Gibboney's instructions and took Bergdoll to his own residence.

It seems clear that it never was intended that the expedition should proceed beyond Philadelphia; and it is no difficult matter to determine who knew in advance that it was not to proceed further.

Two days and two nights before the expedition started both Ansell and Bailey abandoned any intention to go that either may have had, as well as any understanding with anyone in authority that either of them was to meet the party at Hagerstown or anywhere else. Hunt did not direct O'Hare and York, the two guards, to compel Bergdoll to go farther than Philadelphia. Instead, he wrote the letter above referred to; showed it to O'Hare; then mailed it to Gibboney, and had Gibboney present it at Philadelphia to O'Hare, in order, as Colonel Hunt says, that O'Hare might be able to identify Gibboney.

The question arises: For what purpose was Gibboney to be identified by O'Hare? Was it that he might merely make the acquaintance of Gibboney; or was it that Gibboney, just as O'Hare says, was to tell O'Hare where the party should go? That letter was not written as an introduction of Gibboney or for any other unimportant matter. It was written with the serious and important intent of having O'Hare report to Gibboney for instructions not given him by Hunt himself. There can be no doubt about that.

Following Gibboney's directions the party entered an automobile. Scarcely were they seated in the automobile until Gibboney gave directions to proceed to the Bergdoll residence, he himself leaving the automobile at a convenient place to go to the court room, where Mrs. Bergdoll was then being tried.

Neither Gibboney, Romig, nor Ike Stecker, all of whom said they were going on the journey to Hagerstown, Md., on a mission which required them to be out several days, had any baggage whatever when they met Bergdoll and the guard at North Philadelphia.

Mrs. Bergdoll, although a millionaire, usually does all of her own work, cooking, washing, and ironing, and other household duties. Notwithstanding this fact, on the day before Bergdoll arrived at her residence in Philadelphia, she arranged for Mrs. Stecker to come to her house on the following day to cook dinner. The next day—the day when Bergdoll and the party actually arrived at the residence—Mrs. Bergdoll had put part of the dinner on the stove to be cooked. Other provisions for the dinner were already in the kitchen. Mrs. Bergdoll purchases her meager supply of groceries from day to day, if not from meal to meal.

On this day there would have been nobody at the house for dinner if Bergdoll, O'Hare, and the others were not to be there, except Mrs. Bergdoll, her mother, and the gardener. But, in addition to those three there were present for dinner, Mrs. Stecker, Grover Bergdoll, "Judge" Romig, Ike Stecker, Sergeant O'Hare, and Sergeant York. Yet there was ample dinner for all nine. Still, all those who were helping young Bergdoll, including Ansell and Hunt, disclaim that there was to be a stop at Philadelphia.

It was testified that Gibboney stated that the journey was not to be pursued farther than Philadelphia that day because the automobile which the party was to use was "knocking." No immediate steps, if any at all, were taken to repair the car.

When O'Hare, with his prisoner and the others, arrived at the Bergdoll residence nobody was there except Mrs. Bergdoll's mother, who was more than 80 years of age.

Bergdoll proposed that they take a ride through the city until dinner time, they having reached the Bergdoll house about 10 o'clock. This they did, returning to the Bergdoll residence about 12 o'clock. In the meantime Mrs. Stecker had arrived and was preparing dinner; not for three persons, but for nine.

After dinner was over it was proposed not to have the automobile repaired, but to take another ride. This also they did, and during that ride they visited the Bergdoll farm, 11 miles out in the country. What happened there can be only surmised, but it should be remembered that if Mrs. Bergdoll or Bergdoll himself ever buried any gold it must have been on the Bergdoll farm.

After the visit to the Bergdoll farm the party returned to the Bergdoll residence in Philadelphia. After supper was over there

was nothing done by Ike Stecker, the chauffeur, looking toward the repair of the car; but, instead, the party took another ride in the alleged disabled car, during which time they went to a show and to a saloon.

A bottle or bottles of gin were placed in different parts of the Bergdoll home, where any of the party could partake of it at will. It is conceded that all except O'Hare drank some of it. This will be mentioned again further along.

It must be noticed that Gibboney, one of the Bergdoll attorneys, and who had long been a friend and attorney for the Bergdoll family, was out in town and not at the Bergdoll residence. It must also be noted that "Judge" Romig, an intimate friend and confidential adviser of the family, was within the residence with O'Hare, York, and the prisoner.

It is interesting to see who Gibboney and Romig are. Gibboney was an attorney at law with but little knowledge of the law. His principal profession or occupation was that of a self-styled "uplifter" or reformer. In the latter capacity he pretended to be stamping out the liquor traffic and other evils. The Bergdolls owned a brewery, and some twelve hundred or fourteen hundred saloons dispensed their beer. By and by, Gibboney, as uplifter and reformer, came to be recognized by the authorities as one who, for the sake of peace, should be consulted about the issuing of licenses for these and other saloons. His opinions relative to issuing licenses to the Bergdoll saloons not only did not cause a rupture between himself and the Bergdolls but it brought him and them closer together. He was the man to whom Colonel Hunt delivered Bergdoll and the two sergeants—York and O'Hare. In addition, Gibboney was the man who was on the outside of the Bergdoll residence to observe, while "Judge" Romig was within to report, which he did by telephone.

Who is "Judge" Romig? He was never a licensed attorney. He acquired the title of "judge" because he was a justice of the peace, before whom offenders in the Bergdoll saloons were tried for minor offenses. His conduct as justice of the peace so greatly endeared him to the senior Bergdoll that he, when upon his death bed, asked "Judge" Romig to look after Grover when he was gone. From that day until this "Judge" Romig has been a constant visitor at the Bergdoll residence and their confidential adviser. It was he who accompanied Mrs. Bergdoll and drove her automobile from Philadelphia to Washington upon the two occasions when Mrs. Bergdoll got \$105,000 in gold from the Federal Treasury.

Up to this point it is seen that General Ansell procured the release of Bergdoll from Colonel Hunt; and Colonel Hunt placed Bergdoll in the hands of Sergeants O'Hare and York; and they, by Hunt's orders, delivered him to Gibboney, and Gibboney turned him over to Romig, the foster-father, who accompanied him to the Bergdoll residence from which he escaped. All that was not accident; it was design.

General Ansell in his letter to General Harris extolled the virtues of Gibboney. Yet, when he came to testify, he disclosed that his information as to Gibboney was acquired after the escape and not before. So, his statements were made as facts when he lacked the necessary information upon which to base an opinion as to Gibboney's real character. If General Ansell had said as much to General Harris about Gibboney as he virtually admitted to the committee, no doubt General Harris would have refused, under those circumstances, what he granted under the other unqualified representations.

Almost immediately after the receipt of the letter sent by General Ansell to General Harris on May 11, Hunt, at Governors Island, was advised over the telephone by Colonel Penn, that Bergdoll was to be released. On Sunday, May 16, "Judge" Romig went over to Governors Island. He saw Bergdoll upon that occasion. As to whom else he saw, and what was said, the committee is not advised. However, "Judge" Romig testified that upon that occasion Bergdoll spoke to him of the contemplated expedition to recover the buried gold. According to "Judge" Romig's own testimony he all but flew up into the air as soon as Bergdoll mentioned "gold" to him; and he reprimanded Bergdoll for having even mentioned "gold." "Judge" Romig had accompanied Mrs. Bergdoll from Philadelphia to Washington in her automobile upon the two occasions when she got, in the aggregate, \$105,000 in gold. He helped her to carry it from the Treasury Building at Washington into the automobile; and in Philadelphia he helped her to carry it from the automobile into the Bergdoll residence. But, for some unaccountable reason he said he would not permit young Bergdoll, while at Governors Island, to even mention "gold." By reference to Romig's testimony, it will be seen that when asked if he believed the story of buried gold he stated that he believed the gold to be where he had last seen it; that is, in the Bergdoll house. It must be concluded that Romig then knew that Bergdoll's release and the expedition were not a hunt for gold, but intended for Bergdoll's escape, and he commenced in time to disclaim participation.

In the natural sequence of things the conduct of O'Hare should next be considered; but, as the conduct and trial of Colonel Hunt are in such close intimacy with Col. C. C. Cresson, the judge advocate who prosecuted—or rather who was selected or detailed to prosecute Colonel Hunt—it is deemed best that his acts and omissions should be considered at this point in the report.

As ugly as are many phases of this whole matter, none is more defenseless than the conduct of Colonel Cresson in his pretended prosecution of Colonel Hunt.

To turn those loose who turned Bergdoll loose but adds insult to injury, and Colonel Cresson was the principal one of the instruments through which this latter offense was perpetrated.

The charges upon which Colonel Hunt was tried, as set out in the specifications, were:

"He suffered and permitted the \* \* \* said general prisoner, Bergdoll, to leave said barracks on the date aforesaid, not properly and suitably guarded, and not accompanied by at least one of said counsel, in view of said information, and warning, in that he did send said Bergdoll from said barracks in the custody of two noncommissioned officers, namely, Serjts. John O'Hare and Calvin York, Ninth Disciplinary Company, United States Army, whom he had detailed as guard over said prisoner for and during the journey contemplated by the instructions of The Adjutant General aforesaid, and then and there failed to instruct said guards, or either of them, to handcuff said prisoner or to direct that the said guard be provided with handcuffs for that purpose in case of need therefor, and failed and neglected to give said guards, or either of them, sufficient and adequate instructions as to their journey, the care and safeguarding of said prisoner, and their course of conduct in charge of said prisoner, and otherwise failed properly to instruct said guard, and also in view of said information and warning as to said character of said prisoner as aforesaid, failed to send a commissioned officer with said guard as suggested in the instructions of The Adjutant General as aforesaid; by reason of all of which said carelessness, negligence, failure, and neglect of duty in the premises on the part of the said Lieut. Col. (then major, Infantry) John F. Hunt, United States Army, retired, and commandant as aforesaid, and as a result thereof said general prisoner Bergdoll did escape from the custody of said guard at Philadelphia, Pa., on or about the 21st day of May, 1920."

Concretely put, Hunt was charged:

First. With not having the prisoner and the guard accompanied by at least one of the counsel.

Second. That he failed to instruct the guard to handcuff Bergdoll, or direct that the guard be provided with handcuffs in case of need thereof.

Third. That he failed and neglected to give the guard sufficient and adequate instructions as to their journey and safeguarding of the prisoner.

Fourth. That he failed to send a commissioned officer with the guard, as directed in the instructions of The Adjutant General.

Fifth. That he failed to send Bergdoll out with a suitable guard. Colonel Hunt plead "not guilty" to each of those five charges; but when testifying in the court-martial trial, and also before this committee, he admitted that he did send the prisoner out without any of the counsel accompanying the expedition from New York to Philadelphia, and the expedition did not proceed beyond Philadelphia. The prisoner and the guard were actually unattended by any of the counsel during any part of the journey except for the few city blocks while Gibboney was in the automobile with them, which was just before he turned the party over to either Romig or to Bergdoll himself.

As to the second charge, Colonel Hunt admitted he did not instruct the guard either to handcuff the prisoner or to take handcuffs along. On the contrary, he forbade both.

As to the third charge, which relates to instructions, it is not claimed by Colonel Hunt that he gave any instructions whatever to York, who was one of the two sergeants in whose charge the prisoner was placed. The only other guard was Sergeant O'Hare. The lack of instructions to him already has been commented upon. However, Colonel Hunt claims that he gave O'Hare verbal instructions in addition to having him read the letters already referred to. Everything that was said and done by either of them, and by all others who were connected with the unfortunate affair, goes to corroborate O'Hare and to discredit Colonel Hunt in this respect.

As to the fourth charge, Colonel Hunt admits that he did not send the commissioned officer, as he was told to do by the higher military authorities at Washington.

The fifth charge is that Colonel Hunt did not send a "suitable" guard.

O'Hare testified that he is 5 feet 5½ inches tall and that he weighs 130 pounds. Unquestionably he would have been an uneven match in a grapple with Bergdoll, who was a physical giant in comparison. It may be argued that O'Hare had a pistol; but what could he have done with a pistol if Bergdoll had seized him for the purpose of taking it away from him?

It has been clearly demonstrated that he did not have sufficient education to certainly understand the written instructions. One look at him discloses that he is a man far below the average in intelligence.

That he, without sanction or approval, permitted Bergdoll to be driven to the Bergdoll farm; that he accompanied Bergdoll to a show at night; and then, late at night, permitted Sergeant York to go into a saloon is conclusive proof that he was not a "suitable" guard. That he permitted Bergdoll to get out of his sight while in the Bergdoll residence is but a finishing incident to establish his total inefficiency.

Sergeant York was the other of the two guards. As said, it is admitted by Colonel Hunt himself that he gave no instructions to him. Receiving no instructions whatever from Colonel Hunt, the charge must be true, as stated in the specifications, that he was not properly instructed. Colonel Hunt was not only delinquent in not instructing York, but he was such in selecting him. He made a great boast that in O'Hare he knew he had a sober man. He lays no claim to knowing anything of the habits of York. As just stated, on the night of the first day that the party reached Philadelphia, York went into a saloon in the presence of O'Hare, who was York's immediate superior. Next we find that in

the Bergdoll residence a bottle of gin just "happened" to be wherever York went about the house, and it is not denied that both he and the prisoner drank freely of it.

The charge in the fifth specification, the one with which we are now dealing, relates to the "suitableness" of the guard. The question well may be asked, "Who, when made acquainted with the facts, will be willing to answer that the guard was 'suitable' for any purpose except for the easy escape of the prisoner?"

As to the five charges made in the specifications against Colonel Hunt, notwithstanding the fact that he plead "not guilty" to each of them, he specifically admitted three of them in his testimony, and the other two were established. Notwithstanding his admission of his guilt as to the first specification, the court acquitted him.

Another count in the specifications was, that Colonel Hunt failed to provide the guard with handcuffs. To that charge he also plead "not guilty"; yet, upon the witness stand, he admitted the truth of the charge. In the face of that admission the court acquitted him.

To the third count Colonel Hunt again plead "not guilty"; but, in his testimony he admitted that he did not send a commissioned officer. Still, as to that count the court again held him not guilty.

The other two counts in the specifications related to insufficient instructions to the guard, and to the suitableness of the guard. Those two were established by the proof, but not by Hunt's admissions.

So, all five counts were proven, three of them by Hunt's admissions, and yet the court found him "not guilty" on each and every one of them.

There can be no question that Sergeant O'Hare was imposed upon by Colonel Hunt. However, there can be no excuse made for the opportunity of escape which O'Hare gave Bergdoll. O'Hare was guilty of unpardonable negligence during the night spent in the Bergdoll residence, in that he permitted Sergeant York to go upstairs and sleep with a bottle of gin, while he remained downstairs and slept in the same room (in another bed) with Bergdoll. Unless Bergdoll had had a safer and just as certain plan of escape, he either would have taken O'Hare's pistol from him while O'Hare was asleep, or he would have covered him with one of his seven shotguns, compelled him to hold up his hands and remain silent, and then go away in the automobile, possibly taking O'Hare with him and throwing him out in the road at such point as might best suit his purposes.

There can be no defense whatever made for Sergeant York. On their arrival at Philadelphia he got out of the automobile and went into a saloon. During that night and the next day at the Bergdoll residence, on several occasions, he drank gin, not only by himself but with the prisoner. He too, is just as blamable as is O'Hare for letting Bergdoll get out of sight. He even did not sleep in the same room with the prisoner. Besides, when the telephone bells were ringing—no doubt as a signal to Bergdoll that everything was ready—York says he went to another floor of the house to get a drink of water, when there was water on the floor which he was leaving.

Lieut. Col. C. C. Cresson, as said, was the judge advocate detailed to prosecute Colonel Hunt in the court-martial trial.

Even before any testimony was introduced Colonel Cresson made the following statement to the court:

"The Government disclaims, and personally and on behalf of the prosecution, any idea of there being anything crooked or any collusion on the part of Colonel Hunt in this matter, or that any money was used, the only charge in the matter being simply neglect of duty and failure to take due precautions in the matter." (P. 7, Hunt's court-martial trial record.)

By that declaration Colonel Cresson gave notice that he would not, if he could, prove that he did not furnish a sufficient guard if he was bribed not to do so.

In the same way this prosecuting attorney served notice that he would not prove, even if he could do so, that Colonel Hunt had failed to send a commissioned officer along with the guard if he had been paid not to do so.

The inevitable conclusion is that Bergdoll bought his way out; yet Colonel Cresson, the prosecutor, boldly announced that he would not prove that to be the case even if he could.

That statement by Colonel Cresson clearly shows what a shocking mockery the rest of the trial was.

On pages 16 and 17 of the record of the court-martial trial of Hunt it is shown that the defense undertook to prove by General Harris that he had inspected the prison on Governors Island, of which Colonel Hunt was commandant, on June 11, following May 21, when Bergdoll escaped; and that Colonel Cresson objected to the testimony, but afterwards withdrew this objection and permitted the condition of the prison, after the escape, to be inquired into. All of which had nothing whatever to do with the case, except to avoid the real issues.

On page 18 of the same record it is shown that the prosecution, without objection to the question, permitted General Harris to testify relative to an inspection of the prison made by him on April 10, 1918, as if the condition of the prison more than two years before the escape of Bergdoll had anything to do with his escape.

Again, that record shows on page 19 that General Harris was permitted, without objection on the part of the prosecution, to testify as to the condition of the prison in April, 1919, more than a year before the escape.

General Harris declined to say that the release of Bergdoll to go and find the gold was not a precedent. The case he cited as precedent was where permission was given a prisoner to go to see his dying

mother. No instance was cited where a man had ever before been permitted to go hunt for any instrument or for gold; gold buried to aid him in avoiding capture in the first place, and to be used toward his escape in the next place.

Attention is invited to that part of the answer of General Harris when he said, "It is not infrequent—it is not a common occurrence to give consent for a man to go to his house to recover some effects or papers, particularly papers, but they are always sent under guard." In that sentence we have General Harris saying, first, that it is "not infrequent" and next "it is not a common occurrence." So, no precedent for the Bergdoll release could be found.

It is to be taken as granted that the permission which was referred to as a precedent, where papers were to be gotten, that they were not such as could be used by the prisoner in effecting his escape, as the gold was to be used by Bergdoll.

On page 24 of the same record, in the testimony of Colonel Penn, we find the following question and answer, neither of which was objected to by the prosecution:

"Q. Up to the time of the 20th of May, this year, what would you have to say as to the administration of the disciplinary barracks by Colonel Hunt; was it satisfactory or otherwise?—A. It had been entirely satisfactory to the department."

Again, the question may be asked: What did the administration's opinion of the condition of the barracks have to do with the escape of Bergdoll?

On the same page, the following questions were put to Colonel Penn:

"Q. Do you know the reason, Colonel, for the disciplinary barracks being directly under The Adjutant General's Office and not under the department, as other posts within the department are?—A. I don't know as I can state offhand the reason for that."

"Q. Would you say this, Colonel, that the handling of prisoners who are to serve a year or more require special study; that it was something entirely different from a guardhouse, and therefore required a man who had special training in it and would be in touch with the definite policy that was adopted at Washington?"

At this point the prosecution objected; and in the course of his objection used this illuminating and consistent sentence: "I will not raise an objection if you don't insist on that question."

But after the defense "had insisted" on the question, strange as it may be, the prosecution withdrew the objection. After the objection had been withdrawn it was rebut by having the stenographer read it to the witness. Just as soon as the stenographer had finished reading the question, Colonel Cresson, prosecuting, apparently anxious to have it answered for Hunt's benefit, put in and said, "Answer the question, if you can, Colonel."

The above quotation and comment are for the purpose of showing, just at this point, as can be shown in a great number of places further along in the record, that the prosecution nearly always gave way to what was desired by the defense. Usually when he did not give way the court helped out by overruling the objection.

After the witness had ceased to testify for the defense, Colonel Cresson, prosecuting, had the witness to further testify that Colonel Williams, of the Inspector General's Department, had, in May, 1919, a year before the Bergdoll incident, spoken very highly of Colonel Hunt's management of the barracks. The prosecution also had the witness testify that Maj. G. C. Shaw, of the Inspector General's Department, had reported Colonel Hunt's institution to be in excellent condition on May 6, 1920, and that the morale of the officers and enlisted men and prisoners reflected great credit upon Colonel Hunt as commandant of the place. That testimony is to be found on page 28 of the court-martial record.

But, again, the question may be asked: What did the condition of the prison or the morale of the men at any time have to do with the escape of Bergdoll, who did not escape from the prison?

One of the most ridiculous features ever injected into tragedy came when James H. Sparks was testifying. The defense asked whether or not Bergdoll looked like a dangerous man. It is needless to say that the prosecution did not object to having Sparks, a railroad brakeman, venture his scientific opinion along with that already given by the psychiatrist. This witness would render the world a favor if he would only describe a really dangerous man merely by his looks.

In addition to the several warnings which had been given relative to Bergdoll being dangerous and liable to escape, Captain Yuill notified the authorities on Governors Island, when Bergdoll was taken there, that he was a very wealthy man and that they should not keep him in the ordinary garrison guardhouse, because in all probability he might bribe his way out.

When O'Hare was on the witness stand in Colonel Hunt's court-martial trial, testifying in response to questions put to him by the prosecution, the prosecution itself endeavored to conceal a material part of the escapade indulged in at Philadelphia, as is shown by the following questions and answers, to be found on page 81 of the court-martial record:

"Q. You got out to Bergdoll's house about what time? Do you remember?—A. I think it was between 11 and 12, the first time."

"Q. In the middle of the day?—A. Yes, sir."

"Q. And you stayed there until how long—how long did you stay there?—A. Oh, must have stayed there—we had dinner there and stayed there until about 2 o'clock."

"Q. What did you do this afternoon?—A. Then took a ride around again in the afternoon."

"Q. Now, skip over to the next day. When was the last time you saw Bergdoll, as you remember it?"

One can not but wonder, and continue to wonder, why the prosecution wanted to "skip over" the escapade of that night when Bergdoll was taken to the show by the guard and Sergeant York went into the saloon. Could it be that the prosecution was "whitewashing" Colonel Hunt's guards by concealing those incidents because the "suitableness" of the guard was one of the issues confronting Colonel Hunt?

On page 90 of the court-martial proceedings it is shown that while O'Hare still was on the witness stand the prosecution itself volunteered an announcement as follows:

"I think it is proper to appear here that the sergeant is a man that never takes a drink. He has taken no drinks in 19 years."

When O'Hare came to testify before the congressional investigating committee he stated that prior to the Bergdoll affair he did not know Colonel Cresson, who was prosecuting, and that Colonel Cresson did not know him; and that it was impossible for Colonel Cresson to know whether or not he (O'Hare) drank.

Pages 101, 102, and 103 of the record of Hunt's court-martial trial disclose that counsel for Hunt all but abandoned the defense of Hunt, such defense appearing to be unnecessary, no doubt, because of the attitude taken by the prosecution, and commenced the defense of O'Hare and York, who were to be tried later. Presumably, he was moved by the old saw that "all three of them might hang separately, unless they hung together."

Again, to show that Colonel Cresson, conducting the prosecution, was doing both big and little things to avoid the conviction of Colonel Hunt, the following questions and answers of the court-martial trial, to be found on page 105 thereof, read as follows:

"Questions by prosecution:

"Q. Sergeant, I believe you testified that it was against your orders to go to Canada?—A. Yes, sir."

That to which attention is invited is the fact that the witness had not so testified. The testimony of the witness upon the preceding day is to be found on page 97, and reads as follows:

"Q. In other words, if you got to Philadelphia and met Mr. Gibboney and Mr. Gibboney said you were to go to Canada, you would know that was wrong, wouldn't you?—A. Yes."

"Q. And you would have refused to go to Canada?—A. Yes."

It will be seen that the witness did not testify that it was "against his orders" to go to Canada; but, instead, he said he would have used his own judgment and would not have gone to Canada. So there is another instance where the prosecution, by leading the witness, undertook to have it appear that Sergeant O'Hare did have detailed instructions from Colonel Hunt, when the prosecution was based upon the charge that he did not have such instructions from Colonel Hunt.

Frank Paul Keppel, formerly Third Assistant Secretary of War, was introduced as a witness by the defense to prove that the policy of the Secretary of War relative to the management of the disciplinary barracks at which Colonel Hunt was the commandant was in accord with the policy of Colonel Hunt.

The policy of the Secretary of War concerning the mere "management of the institution" had nothing whatever to do with the escape of Bergdoll at Philadelphia.

The witness was asked further: "Did you, yourself, make an inspection or two at the institution here?"

"A. I did; two inspections."

"Q. On your second inspection did you find a decided change, or otherwise?—A. My impression is conditions were very much better the second time; the appearance of the place was better; the bearing of the prisoners was better, and it was evident the barracks were administered under a very careful supervision, and along a definite policy; I recall that a number of prisoners at that time spent a good part of their time down at the end of the island, not within Fort Williams, but arrangements were made for making themselves useful down at the other end of the island; I don't think that was the case when I was first there."

But what did "the appearance of the place" have to do with the escape of Bergdoll at Philadelphia? Certainly the "appearance of the place" was changed to some extent by Bergdoll's absence.

The witness was actually asked: "Do you know what his (the Secretary of War's) opinion was of the conduct of the institution by Colonel Hunt?"

The opinion of the Secretary of War as to the general conduct of a prison did not excuse Colonel Hunt's refusal of handcuffs, for instance. Yet question after question like that was not objected to by the prosecution.

The defense introduced one McClellan, warden of the Westchester County Penitentiary, for the general purpose of proving that Colonel Hunt's prison policy was approved by him.

The defense asked him this question: "How did the general policies there compare with that of your institution?"

Even if the question had anything whatever to do with the case, it had not been proven that McClellan was properly conducting his prison at Westchester. Colonel Hunt's policies of managing a prison were permitted to be compared with McClellan's policy of running the Westchester prison, without anybody ever having said how well or how badly the Westchester prison was conducted. But, in order to get Mr. McClellan's and Colonel Hunt's idea of operating a prison, the following is quoted from the former's testimony:

"We have never used—I have never used arms with any guard; I do not allow any guard to carry arms in the institution. It might be well to tell you, or the court, that our institution is an

open one—no walls, and our men work in the open, a mile from the institution at many times. We do not use arms. \* \* \*

"Q. In what kind of a case, with one prisoner, would you consider handcuffs necessary?—A. Well, I would only consider handcuffs in the same light that I would consider a straightjacket, as a matter of restraint."

McClellan and Hunt might have been suitable wardens at a founding institution, but certainly at no other place. Moreover, McClellan does not permit the word "guard" to be used in his institution; instead he requires everybody to use the word "officer."

In answer to a question this witness, whose testimony seems to have been seriously considered, answered:

"I know very little of Bergdoll."

"Q. You don't know then whether it was necessary to handcuff him and send two armed men or not, do you?—A. I don't think that the man lives that it is necessary to do that to, if he is a normal man, unless he is insane."

"Q. If it became necessary to transfer a man of dangerous and escaping character, then you believe he should be handcuffed?—A. I don't think so."

If one will read the latter part of page 189 and page 190, which is a part of the testimony of McClellan given at the court-martial trial of Colonel Hunt, he will be utterly astounded at the length to which McClellan would go in conducting a prison. He said, in substance, that he saw no reason why he should take the word of a commanding general that a prisoner was desperate; he would not heed warnings, but would rely upon his own opinion and that of a psychiatrist rather than take heed from a warning or obey orders from a superior authority. Except that Hunt entertained those same notions Bergdoll might not have escaped.

Another witness in Colonel Hunt's behalf was Capt. Edmund Banks Smith, a chaplain. He stated that he was associated with the prison on Governors Island prior to 1915; that he left there in 1915, but frequently went back. That good man, considering Hunt's administration from the "uplift" or "reform" standpoint, said in his testimony:

"I noticed a slow and gradual changing of what I might term the atmosphere of the prison, rather intangible to describe, but perfectly easy to feel, that appeared to me to show an improvement in the morale of the men."

It may be said, not in a spirit of reproach, that at the time when the chaplain "felt the atmosphere" that Bergdoll was "rather intangible" at Governors Island, where Colonel Hunt presided with such motherly intuitions. Perhaps if the reverend gentleman had then "felt the atmosphere" in Germany he would have found it full of the breathings of defiance and scorn coming from Bergdoll for the American flag.

Bergdoll escaped on May 21, 1920. Colonel Hunt's court-martial proceedings commenced July 21 thereafter. During the two months which intervened between the time when Bergdoll escaped and the beginning of Hunt's court-martial trial, Hunt was promoted from major to lieutenant colonel. Then, while the trial was going on, announcement actually was made to the court while in session that Lieutenant Colonel Hunt had again been promoted, this time to the rank of colonel.

Notice: During the two months immediately following the escape of Bergdoll he was promoted twice.

In the midst of the trial, while Capt. Samuel B. Shackford, a witness for the defense, was testifying, the attorney for the prosecution arose and said to the court:

"To save time, I don't think anywhere in the specification it charges that these sergeants were not competent. I don't think negligence was charged in that way, unless the guard was insufficiently instructed by Hunt. I think testimony along that line might be dispensed with. I am not going to object to it, however, but I want to call your attention to the fact that it is not charged that either of these sergeants were improper men, or not good sergeants."

That was a monstrous assertion for the prosecution to make, inasmuch as one of the specifications charged Colonel Hunt with having permitted "Bergdoll to leave said barracks on the date aforesaid not properly and suitably guarded." If they were incompetent, or drinkers, or negligent, they were not "suitable."

The very one whose duty it was to show that the guards were not "suitable" voluntarily stated, in substance, in the above-quoted language, that it was not charged that either of the sergeants "were" "improper men or not good sergeants." Colonel Hunt was directed to provide a "suitable guard," and in the charge it is plainly specified that he did "neglect his duty in that behalf." The prosecution now is helping out the defense by saying, by reasonable inference, that "improper men" as guards make a "suitable" guard.

The witness testified that Sergeant York "is trustworthy—depend on him absolutely." What a wonderful statement that is in view of all the facts brought out against him.

Amos T. Baker, one of the psychiatrists who regarded Bergdoll as so beautifully innocent and harmless, notwithstanding the many warnings as to his dangerous character, really testified that handcuffing "would be humiliating to the prisoner and might suggest to him the possibility of escape." Evidently he was proceeding upon the theory that it had never entered Bergdoll's head to escape. As the handcuffs were not used, and as Bergdoll escaped, it must be that the absence rather than the presence of handcuffs suggested the escape. No matter what the consequence had been, the witness could not abandon his theory. He,

with Hunt's approval, wrote a pamphlet concerning the control and guidance of prisoners.

This witness further testified as follows:

"I do recall Major Hunt not wishing to humiliate the prisoner by attracting attention to him by sending a superfluous guard or unduly securing him."

Perhaps if Bergdoll had not been so rich, he would not have been so easily humiliated; nor would three men—two sergeants and a commissioned officer—have been deemed a "superfluous guard," nor would the use of handcuffs been considered "unduly securing him."

In one of Hunt's many defiances of authority and advice, he said, "I don't think the War Department is particularly expert in arriving at any decision."

It also appears that Colonel Hunt was not at all averse to being put in charge of the prison at Fort Leavenworth, where Bergdoll would have been sent if he had not escaped. One Grafton B. Perkins, an advertising agent, had in charge this prospective promotion for Colonel Hunt.

While this committee was conducting its hearings, it appeared in some of the western newspapers that one of the committee had expressed the opinion that Hunt had been "whitewashed" at his court-martial trial. Colonel Cresson, who conducted the so-called prosecution of Colonel Hunt, telegraphed and asked that the record of the court-martial trial of Hunt be considered by the committee and that his prosecuting speech also be considered by the committee. He was replied to by wire that both had already been made a part of the record and were considered by the committee. Particularly did he ask that his speech be read to the committee. That request was complied with. Whatever of criticism of Colonel Cresson there is in this report has been gotten entirely from that record, his speech included.

On page 30 of that record Colonel Cresson, prosecuting, said in his concluding speech:

"As I stated in the opening of this case, I want to state again that the prosecution does not for a minute think, nor does it intimate, nor does it care to have anyone think of intimating that Colonel Hunt in any way wanted Bergdoll to escape, that he colluded in the matter or was in any way in any conspiracy."

In another part of his speech he said:

"Of course, the court realizes, as everyone does, that it is not a pleasant duty that devolves on the prosecution in any case, civil or criminal, to come before the court and ask that a brother officer be punished or be admonished or be held guilty of neglect of duty."

In that speech Colonel Cresson also said:

"Colonel Hunt has a fine record as a prison officer and the Government is not denying that."

In another part of his speech Colonel Cresson said:

"I have sympathy for Colonel Hunt. He has a fine record, has been retired as a colonel. Colonel Hunt has indeed made a magnificent record as an officer, and as to the care of some prisoners \* \* \* I am glad to be able to say that no one can throw any suspicion of crookedness on the part of Colonel Hunt in this matter."

Several times in this report Colonel Hunt's defiance of the directions of superior officers has been mentioned. It is not desired that this report be closed without having it clearly and distinctly understood that his attitude of "defiance" of orders was feigned, at least in material part, in order to fulfill the understanding arrived at between himself and some of those who saw him at Governors Island a very, very short time before the Thursday when he sent Bergdoll away from the island without handcuffs, without a commissioned officer, without the presence of one of the counsel, without a "properly instructed guard," and without a "suitable" guard. It matters not whether he were really stubbornly defiant of orders or corruptly so, he is guilty, the latter offense being more heinous, only.

Just here it should be emphasized again that the prosecuting judge advocate, Colonel Cresson, declared in the court-martial trial that he would not prove that Colonel Hunt corruptly refused the handcuffs, or corruptly failed to send a commissioned officer with the expedition, or corruptly failed to have one of the counsel accompany it, or corruptly failed to properly instruct the guard, or corruptly failed to provide a sufficient guard, even if he could do so.

Colonel Cresson's contention during the trial was that Hunt was guilty—but only of a technical offense—if he, without taking a bribe, disobeyed orders; but that if he disobeyed orders because he was bribed so to do, then he was not guilty.

Prisoners in making escapes use different instruments. Some use crowbars, some files, some saws, and some false keys. The instrument used by Bergdoll in making his escape was money. Crowbars, saws, and files make noise. There is an old, old saying that "money talks," but in illegitimate transactions like this its talking is done in whispers; and, therefore, difficult of proof.

No one can be so dense as not to know that Bergdoll could not have been detained at Governors Island for the unusual length of time that he was detained, instead of being sent directly to Leavenworth, without the use of money. Neither can any impartial mind fail to see that his expedition to recover the alleged hidden gold was procured by the use of money. It is fair to assume that every discrimination made in his favor, and that every step taken by him leading to his escape, was the direct result of his immense fortune. If he had not been a millionaire, immediately following his conviction he would have gone with other prisoners to Leavenworth, where the doors would have been

securely closed behind him, unless Colonel Hunt had been successful in his effort to be transferred there.

Because a thing is accomplished by employing a licensed attorney to do it does not necessarily put the act beyond merited condemnation. Money was spent lavishly by Bergdoll for the purpose of ingratiating himself, not only with the prison authorities but with his fellow inmates in the prison at Governors Island. There are many instances where money was used, apparently for legitimate purposes, but surely with the ulterior design of escape. His prolonged stay at Governors Island cost him at least six or seven thousand dollars, and it must be remembered in this connection that it was at General Ansell's request that Bergdoll was permitted to remain there.

The broad, well-defined trail leading to the escape did not become unmistakably evident until General Ansell induced General Harris to authorize the expedition to search for the gold. There can be no doubt about General Ansell's ability and learning, but it is certain that he did not get into the case because of that ability and learning alone. His influence with the Army officers with whom, but recently theretofore, he had been so long associated, must have been considered. The large fee contemplated by him evidently was based not only upon what he might accomplish through legal channels but, in addition, by exercised influence.

The many fees to be gotten from others, and the big one to be paid by Bergdoll, lured him into questionable paths. No one knew better than General Ansell that his course was, at least, doubtful. His own conscience seemed to have reprimanded him, even before this investigation commenced. This is evidenced by the fact that while upon the witness stand, when it was taken for granted by those of the committee that his thoughts had not yet turned to his being a possible "pardon broker," he admitted, by citations to the law in various jurisdictions, that already he was mindful of that feature of the case. Then, when it was undertaken to ascertain to what limit he would not go for a fee, he cited instances in justification of himself where other attorneys had defended notoriously infamous characters. That manner of defense of himself did not first or suddenly come to him while upon the witness stand. This conclusion is based upon the fact that when he, but recently a general in our Army, was confronted with what he had done, he drew from his pocket a written statement prepared in advance, citing cases, both American and English, to justify his defense of Bergdoll, our country's enemy.

While there are many who participated in the conspiracy leading to Bergdoll's escape and the acquittal of those who brought it about, there are three who are infinitely more culpable than the rest. Those three are General Ansell, Colonel Hunt, and Col. C. C. Cresson. But thus far no punishment has been imposed upon anybody that could not be discharged by the Bergdoll millions, and counted a mere trifle.

General Ansell is now out of the Army. He is beyond the jurisdiction of court-martial proceedings, but provision should be made against his future practice before any of the departments, before any court-martial, or in the courts of the District of Columbia or the Nation above whose safety and integrity he has placed gold.

Colonel Hunt, within the next two months after he had participated so criminally in the escape of Bergdoll, was promoted from major to colonel and immediately retired on the pay of \$3,600 a year. It becomes a serious question who is to pay this life-long reward for his perfidy. Those whose backs already are burdened with the most onerous tax ever imposed must contribute; and, in addition, more than 4,000,000 of our soldier boys must, throughout Colonel Hunt's remaining years, contribute to this munificent retirement fund in recognition only of his instrumentality in this national tragedy. An outraged Nation has the right to demand that Colonel Hunt's annuity be discontinued.

The conduct of Mr. Earl B. Wood should not go unnoticed.

On April 30, 1920, John J. O'Connor, a special agent of the Government in the Secret Service, who had been sent to Philadelphia to look after the Bergdoll case, addressed a letter to Frank Burk, assistant director and chief of investigation, Washington, D. C.

That letter reads as follows:

"DEAR SIR: On the evening of April 27, Lieut. George C. McDonald, who has been and is cooperating with me in the Bergdoll cases, obtained information through one Jacob Strohm, an uncle by marriage of the Bergdoll boys, that Grover C. Bergdoll is to gain his release within a period of two weeks.

"The information, in substance, is that a Colonel Ansell, a Washington attorney who has been retained by the Bergdoll family to attack the verdict of the court-martial, has guaranteed to bring about the release of Grover C. Bergdoll for a consideration of \$10,000. In an effort to gain his freedom, counsel for Bergdoll is expected to apply for the release on bond of Grover C. Bergdoll pending the decision of the court in reapplication for a writ of habeas corpus, which will give Bergdoll sufficient time to depart from the United States.

"If this can be brought about, it will be a repetition of an application which was made before Judge Hand in the southern district of New York, and at the time of the application counsel requested that the prisoner be turned over to the custody of the United States marshal pending decision. Judge Hand refused the request and ordered Bergdoll returned to the custody of the military authorities.

"If there is some way to prevent Bergdoll's being released, pending the decision of the court before which the application will be made, we will have prevented Grover Bergdoll's escape, together

with protecting Colonel Ansell, whom I believe to be misled, from having to explain the treacheries of his client and of his confederates.

"Very respectfully,

"JOHN J. O'CONNOR,  
Special Agent."

When that letter reached the department it went to Mr. Wood, he having charge of all correspondence relating to the Bergdoll case.

When Mr. Wood received the letter, he should have immediately brought it to the attention of the War Department, which then had charge of Bergdoll, for the purpose of having double precautions thrown around him.

It seem that every happening—whether of act or omission—resulted to Bergdoll's benefit, and not one to his real detriment.

All this could not have been accident. Somebody, carrying convincing persuasives in great bundles, must have preceded every doing in the case, to see that nothing was left to chance.

The opinion is freely ventured that if O'Connor had written the above letter of warning about any military prisoner other than Bergdoll, the millionaire draft dodger, that that letter or its contents would have been sent at once to the War Department.

In the concealment of this most important letter, Mr. Wood finds himself with no consolation. There is no one with whom he can even divide responsibility for the offense. Confronted, as he was, when on the witness stand, by that predicament, he did not attempt to do so, as the following questions and answers show:

"MR. JOHNSON. It (the letter) came to you because you were in charge of this (Bergdoll) particular case.

"MR. WOOD. Yes, sir.

"MR. JOHNSON. Have you stated when you received it?

"MR. WOOD. It is on the letter. It looks like May 3, 1920.

"MR. JOHNSON. When you received that letter, what did you do with it or about it?

"MR. WOOD. I went to see the assistant attorney general, Mr. Robert P. Stewart, who was not in his office, as I remember it, and I discussed the matter with Mr. Herron, the assistant to Mr. Stewart, relative to what steps we should take if Bergdoll should apply for a writ of habeas corpus, and to take steps to resist the issuance of the writ.

"MR. JOHNSON. Did you bring the contents of that letter to the attention of anybody else?

"MR. WOOD. No, sir.

"MR. JOHNSON. Do you take full responsibility for the failure to bring the contents of that letter to the attention of anybody else?

"MR. WOOD. Yes, sir; I take the responsibility. I handled the letter.

"MR. JOHNSON. Do you take full responsibility for not having brought it to the attention of anybody else?

"MR. WOOD. Yes, sir; I take full responsibility for the way that letter was handled.

"MR. JOHNSON. Do you take full responsibility for not having brought the contents of this letter to the attention of anybody else?

"MR. WOOD. I do.

"MR. JOHNSON. That is all."

Believing that no man of Mr. Wood's most extraordinary make-up should continue in the public service, his dismissal is most earnestly recommended. More, it is recommended that he be forever disqualified from holding any appointive position whatsoever with the Government of the United States.

It has been said that there is perhaps no crime, an exact definition of which is more difficult to give than the offense of conspiracy. It has been defined to be a combination of two or more persons, by some concerted action, to accomplish some criminal or unlawful purpose, or to accomplish some purpose not in itself criminal or unlawful by criminal or unlawful means.

It is not necessary to constitute a conspiracy that two or more persons should meet together and enter into an explicit or formal agreement for an unlawful scheme, or that they should directly, by words or in writing, state what the unlawful scheme is to be, and the details of the plan, or means by which the unlawful combination is to be made effective. When two or more persons pursue by their acts the same object, often by the same means, one performing one part of the act and the other another part of the act, so as to complete it, with a view to the attaining of the object which they were pursuing, this will be sufficient to constitute a conspiracy. Concurrence of sentiment and cooperative conduct in an unlawful and criminal enterprise, and not formality of speech are the essential ingredients of a criminal conspiracy. Previous acquaintance is unnecessary, and it is not essential that each conspirator should know the exact part to be performed by the other conspirator in execution of the conspiracy. Moreover, all the conspirators need not enter into the agreement at the same time. When a new party with knowledge of the facts concurs in the plans of the original conspirators, and comes in to aid in the execution of them, he is from that moment a conspirator.

The conspiracy may, of course, be shown by direct evidence, but direct evidence is not indispensable. Circumstantial evidence is competent to prove conspiracy from the very nature of the case. Generally speaking, the crime must be proven by acts of the party himself and of any other with whom it is attempted to connect him.

The evidence in a conspiracy is wider than perhaps in any other case. Taken by themselves, the acts of a conspiracy are

rarely of an unequivocally guilty character, and they can only be properly estimated when connected with all the surrounding circumstances. The process is, after all, an inference from one fact to the existence of another.

The crime of conspiracy very, very frequently involves the use of money as a means to its successful accomplishment and, in such cases, as a general rule it is not necessary that direct evidence be adduced of the payment and receipt of the consideration. It becomes a matter of inference from one fact to the existence of another. That is this case.

It must be conceded that the motives which prompted Mrs. Bergdoll, the mother, and "Judge" Romig, the foster father, to take part in the conspiracy were not the motives that actuated either Gibboney, Ansell, Bailey, or Hunt. These latter had no affection for Grover Bergdoll, nor can it be said that his plight aroused their humanitarian impulses. What then incited their activities? There was, of course, the Bergdoll fortune ever present.

There are many, many offenses which are, indeed, most difficult of actual proof. There are a few impossible of proof except by circumstances and by reasoning from cause to effect.

The eye of man is far more easily deceived than is his mature reasoning and calm judgment. Money may pass from hand to hand in an instant, and at some obscure place and not be seen. While the passing of it may be proven beyond doubt, the consideration for which it did pass may be disputed. On the other hand, the full performance of the service to be rendered may be fully established, still the passing of the money in payment for the service may be proven only by appeal from the eye to the mental consideration of a chain of established facts. Again, that is this case.

However, no witness, willing to tell the whole truth, has seen the money actually pass. But everybody who heard or has read the testimony should be able to see an "effect" which could have been produced by no "cause" except money. In reasoning from cause to effect, we see the Bergdoll millions "the cause," standing out like Pikes Peak against the horizon of a rising sun. As the rays of light advance upon each succeeding scene in this unholy affair, there is disclosed to the reasoning mind one hideous thing after another, pictured with the accuracy of the camera, until "the effect," the escape, stands out as clearly as the Egyptian Pyramids against another horizon.

At first only long and meagerly defined shadows, reaching from the "cause," were cast across the Nation's integrity; but as the rays of discernment and analysis rose higher and higher, the shadows shortened and shortened until a black spot stands, and will forever stand, exposed to the light of reason, although none but the guilty may have seen the corrupting influence pass from slacker to traitor.

But with the advent into the case of him who, by his partner, has been modestly declared to be "the highest authority in this country on military law," we find sorcererlike deception practiced upon the trusting. Next, we see a palsied old man, overflowing with that generous spirit of acquiescence and lack of resistance that always accompanies those who grow old beautifully, placed and replaced, in artistlike fashion, wherever his name could best be commercialized.

Then we find the activities transferred from Washington, which for the then present must be obscured, to Governors Island. This transfer from Washington to Governors Island was so absolute that even an official letter of warning, sent from Philadelphia to Washington, forecasting Bergdoll's escape within two weeks, was hidden away in a pigeonhole, never to find its way to Bergdoll's prison that he might be properly guarded.

Then we find Bergdoll put into the same cell with a prisoner who is permitted to make almost daily visits to New York, bearing on one occasion, if not on others, a written message to a well-known leader in America against constituted government. Also we find a large sum of money placed at the prison, obviously that Bergdoll might purchase the good will and, perhaps, the silence of guards, or the assistance of fellow prisoners.

Next, we see the commandant of the prison turn deaf, dumb, and blind to every direction that might hinder Bergdoll's escape. We see handcuffs denied, and every other official instruction violated. The plighted faith of counsel absconds before the prisoner does, that his going may be the easier. Finally, and as a fitting sequel to this sordid tale, we find that the derelict commandant at Governors Island was prosecuted by one whose shame should be measured only by his days. Following the flimsy pretense—only a pretense—at prosecution, the commandant's fate was given to a court composed of military officers who found him "not guilty" in the face of his own admissions that he had not complied with instructions for the violation of which he was then being tried.

Bergdoll escaped through the misdoing of somebody other than the Bergdoll family and their immediate, personal associates such as Romig, Stecker, Gibboney, and Mrs. Bergdoll. It is hoped that this report bares to the Congress the others who are more guilty than even the Bergdoll family. Shall they go unwhipped of justice?

The mother, the brother, the foster father—only those who gave shelter and comfort out of love for the black sheep of the family—have been convicted. Shall those who, for money, conceived, connived at, and executed the escape continue to practice in our Nation's courts, to wear the uniform of an officer of our Army, or to collect an annuity from a wronged people?

The foregoing part of this report was written shortly after May 24, 1921, when it was thought by every member of the committee that the hearings had been concluded. However, about two months after that date the chairman reconvened the committee for additional hearings. These last-mentioned hearings were occasioned by the receipt of a communication sent by a special agent of the Department of Justice, located at Philadelphia, to the Department of Justice at Washington. That communication was forwarded to Mr. Peters, the chairman of this committee, under date of June 22, 1921.

The communication of the special agent at Philadelphia was written for the purpose of reporting that he had intercepted a letter written by Grover C. Bergdoll in Germany to his mother, Mrs. Emma C. Bergdoll, at Philadelphia. The communication states, among other things, that the letter ridiculed the seizure of the writer's property by the United States, and that the United States had started something that they could not finish; also that three neutral nations had offered him citizenship. Those statements, and a number of others, are not in quotation marks, but are represented to be a part of the substance of the letter.

That report—a rather lengthy one—embraces in quotation marks the following:

"We made the Americans look like a bunch of boobs before the whole world. They are all laughing at them. \* \* \* You certainly did tell it to the investigators down at Washington, and you deserve credit. Why did you not tell them of the \$5,000 which we gave Campbell up at Governors Island? If you did not, I would advise you to make it public, so that the grafters will be all exposed. We are writing a book which gives away the whole swindle from beginning to end, and the American public will wake up when they read it in the near future."

In the report the special agent says the word "decipiatum" was used in the letter, which, as near as he can determine, is a Latin word meaning "a joker."

Two or three weeks after the reception of that communication by the chairman of this committee, he sent counsel for the committee to Philadelphia to confer with Mrs. Bergdoll relative to that part of Grover C. Bergdoll's letter suggesting that she tell the committee, if she had not already done so, that they had given Maj. Bruce R. Campbell \$5,000.

The chairman of the committee also caused an examination to be made of the account of Bruce R. Campbell and his wife, Laura A. Campbell, at the bank in New York with which they did business. From that examination it was learned that Campbell had purchased an automobile, paying \$1,500 therefor, and that also he had deposited with Wasserman & Bro., stock and bond brokers in New York, two sums of money amounting to \$6,500. The automobile was purchased by Campbell and the deposits made with Wasserman & Bro. shortly after it was alleged that he had received \$5,000 from the Bergdolls.

Upon that information another hearing was had, commencing June 19. In that hearing Mrs. Bergdoll was the first witness. She testified, in substance, that upon one occasion, shortly after the arrest of her son on January 7, she was at Governors Island, and that she and her son had a talk with Campbell, and that he said that if they would place \$100,000 in his hands it could be used with those higher up at Washington and New York to his advantage. Mrs. Bergdoll says that she replied to that proposition by telling him to "go to hell." Then she said that her son Grover put his finger across his lips, indicating to her to be quiet. Continuing her story, she stated that thereafter her son Grover asked her to bring to him at the prison \$5,000, and that in a few days after this request she went back to the prison taking \$5,000 with her, which she delivered to her son. She was most emphatic in saying that she did not know what her son was going to do with the money, and that she never found out afterwards what he did do with it.

She also testified that during the latter part of January or the early part of February, 1920, she was not certain which, while on the boat between Governors Island and New York, Campbell said to her that he had given the money to the proper person, whose name he called, but the name was not remembered by Mrs. Bergdoll.

When Mrs. Bergdoll first testified before the committee, which was about two months before her last testimony was given, she stated in just as positive a way that she had never given Campbell any money other than \$50 with which he was asked to purchase cravats and knickknacks for her son Grover while in prison.

Major Campbell, in testifying relative to that feature, said that Mrs. Bergdoll or somebody closely associated with the family—he was not certain which—gave him a small amount of money, something like \$10 or \$12, with which to make similar purchases for the prisoner. He says that he left that sum of money with a near-by store, so that Grover C. Bergdoll could get knickknacks with it.

It will be seen that Mrs. Bergdoll testified under oath in her first testimony that she gave Campbell \$50 and no more. It is equally important to note that in her last testimony, when an effort was being made to incriminate Major Campbell, she rigidly adhered to that story. The press of the country carried the unqualified statement that Mrs. Bergdoll, when last testifying, stated that she gave Campbell the \$5,000; when, as a matter of fact, she stated in no uncertain way that she did not give him the \$5,000, or any sum except the \$50, and no testimony whatsoever was produced to show that Campbell got any money except the small amount admitted by him and Mrs. Bergdoll, unless it be proven by his alleged admission to Mrs. Bergdoll while on the boat. If Campbell, upon that occasion, admitted having received

any money and having turned it over to another, there is no testimony whatsoever showing that he referred to the \$5,000 and not to the smaller sum which has been mentioned.

The reflection upon Major Campbell was made, not by Mrs. Bergdoll, but merely by the question put to her by her absconding son in the intercepted letter.

An effort was made to corroborate the suggestion made by Grover C. Bergdoll, by showing that the bank account of Campbell and his wife was a very small one, indeed; so small as to forbid the possibility of his having \$6,500 to deposit with Wasserman & Bro. in a "bucket-shop" transaction. That account with Wasserman & Bro. was in the name of Campbell and his wife.

A young man in the Intelligence Bureau was sent from Washington to New York to examine the bank account of Campbell and his wife. The proper way to have secured testimony relative to that account was to have had some officer of the bank testify from the book entries. In the absence of that manner of establishing the bank account, the next best method was to produce a copy of that account. However, neither of those things was done. Instead, the young man who went from Washington to New York returned, appeared before the committee; and, without the original entries, or without a copy of them, or without a single note or memorandum, testified that he had examined the account and that the largest entry in it was \$252.50, Campbell's salary, which was deposited monthly; and that all the checks on that account were small; and that his monthly balances ranged between \$7 and \$60. Notwithstanding that testimony, the fact was afterwards established from the bank itself, that during the very latter part of December immediately preceding the deposit with Wasserman & Bro. there was a deposit to that account of \$5,037.

The next piece of attempted corroborative evidence against Campbell was the production of the books of Wasserman & Bro. That account showed that on the 10th day of February, 1920, Campbell deposited with that firm, to the credit of himself and wife, for speculative purposes, \$4,500, and that within a few days thereafter he deposited the additional sum of \$2,000 for the same purpose.

It should be noticed that our fugitive in Germany had charged by innuendo in the letter to his mother that they, meaning himself and mother, had given Campbell \$5,000. The assumption was that the \$5,000 of Bergdoll money had been used in the Wasserman & Bro. transaction, because Campbell was supposed not to have had other available money.

It must be borne in mind that Campbell did not deposit \$5,000 with Wasserman, but that he did deposit \$6,500 with them. If he got \$5,000 of it from the Bergdolls, the question very appropriately may arise: Where did he get the \$1,500 in excess of the \$5,000? The answer consistently can be given that he got the \$5,000 where he got the \$1,500, and Grover Bergdoll does not make pretense that he got more than \$5,000, while Mrs. Bergdoll says he got only \$50, and he admits that he got something like only \$10 or \$12.

How very strange it is that the young man who went from Washington to New York to examine the bank account should testify that he had gone through the bank's books, in so far as they related to Campbell and his wife, and found no deposit bigger than \$252.50 when, according to the report made by the bank itself, the deposit of \$5,037 must have been staring him in the face.

Another remarkable feature in this most extraordinary case is that the special agent of the Department of Justice, located at Philadelphia, did not transmit a copy of the letter instead of his construction of it. It seems reasonable that his very first act should have been to make a copy of the letter; better still, a photostat copy.

Major Campbell was the attorney designated by the War Department to defend Grover C. Bergdoll at his court-martial trial. The intercepted letter refers to others as having gotten dishonest money, but Major Campbell is the only one in that class whose name has been given to the committee by the special agent at Philadelphia.

Again, it may be asked, since Campbell's bank account was not correctly testified to, is it not equally possible that some name other than Campbell's may have been mentioned in the intercepted letter, while Campbell's name, as already stated, was the only one forwarded to the committee?

Major Campbell testified that he never had any conversation with either Mrs. Bergdoll or her son Grover, or with anybody else, concerning the payment to him of any money other than the small amount heretofore mentioned, and for the purposes indicated. Certainly no one in the whole United States will claim that he is less worthy of credit than any of the Bergdolls, especially that one in Germany, who makes the charge against him.

Campbell's father, now past three score years and ten, testified in an open, manly way, which carried conviction with his manner, and told how, within his own knowledge, his son had gotten \$6,000 in a "friendly gambling transaction."

Major Campbell also testified that he and his wife, not a very great while before the Wasserman transaction, had as much ready money as \$24,000. Those statements have not been contradicted. If Campbell's integrity is to be reflected upon in any report that may be made, proof of the charge is challenged. There is not a scintilla of proof against him, except the mere suggestion made by Grover C. Bergdoll in the intercepted letter. The bank account and the Wasserman transaction, which were expected to corroborate the charge preferred by young Bergdoll, have been completely explained away. If there be any who still insist that Campbell got any of the Bergdoll money, let it be said to them that the

only testimony given in support was the statement made by Grover Bergdoll to his mother, which, through the special agent, was repeated to this committee.

Those who heard or have read the rambling statements made by Major Campbell when he testified should know that during a part of the hearings he was in the Walter Reed Hospital as a patient; that while in France during the war he was twice gassed; that he was at a military camp in the State of Arkansas when summoned to come to Washington and appear before the committee; that upon his way here he was confronted, while on the train, by copies of various newspapers stating that Mrs. Bergdoll had appeared before the committee and testified positively that she had paid him \$5,000 to be used for illegitimate purposes; and that upon his arrival here he was neither in physical nor mental condition to tell a concise, connected, and lucid story in explanation of the charge. However, in his disconnected and rambling testimony there was no material statement made by him that did not turn out, from other testimony and evidence, to be true.

Those who would criticize Major Campbell are asked only to turn to the testimony given by his old father, and the manner of its giving, and then compare it with the testimony given by any of the Bergdolls or by any of their hangers-on. The one is open, frank, and superlatively candid; that of the others, to mildly express it, is exactly the opposite.

The charges against Major Campbell were made in a most indirect manner by Grover Bergdoll. Bergdoll was not under oath nor subject to cross-examination; and his mother, who was expected to corroborate him, not only failed to do so, but actually contradicted him. Major Campbell assumed the burden of proof and clearly disproved the charges. He is, therefore, exonerated.

In that part of this report which deals with those whose names became involved in this affair, by the testimony which seemed to have closed on May 24, the testimony of no Bergdoll has been necessary for the conclusions reached. Every adverse criticism of anyone in that part of this report is founded almost entirely upon the acts and omissions of him who is criticized. However, in this, the latter part of this report—that which relates to the Campbell affair—Bergdoll testimony, of necessity, can not be avoided, and that fact is the apology for treating their testimony with any degree of seriousness.

In conclusion it is deemed proper to commend Thomas W. Miller, the Alien Property Custodian, for the seizure of the Bergdoll property. It is hoped that he will exercise what seems to be his legal right to compel Mrs. Bergdoll to produce the gold which she claims to have buried on the farm near Philadelphia.

The foregoing is respectfully submitted to the House of Representatives for its consideration and appropriate action.

BEN JOHNSON.  
O. R. LUHRING.  
H. D. FLOOD.

#### EXHIBIT B

(Page 595)

Mr. ANSELL. Say that the receipts were \$15,195. How much of that was surplus? You say very little?

Mr. WEISS. Maybe \$50, \$60, or \$70.

Mr. ANSELL. May I ask you what salary you receive as manager of the Roosevelt Hotel?

Mr. WEISS. That is a very hard question to determine. And I do not think that has anything at all to do with this, and I do not care to tell you.

Mr. ANSELL. Do you decline to tell me?

Mr. WEISS. Yes, sir.

Mr. ANSELL. On what ground?

Mr. WEISS. Just because I do not want to.

Senator LONG. I want to ask the witness to go on and tell him. Tell him what you get, Mr. Weiss.

(Page 596)

Mr. WEISS. It is a very hard thing to determine my salary. I get my rooms, my food, my garage, and my pressing.

Mr. ANSELL. In money?

Mr. WEISS. \$10,000.

Mr. ANSELL. Is your salary paid in check or in cash?

Mr. WEISS. In checks.

Mr. ANSELL. Do you deposit your salary in the bank?

Mr. WEISS. I do not.

Mr. ANSELL. You keep it in cash?

Mr. WEISS. Yes, sir; part of it.

Mr. ANSELL. Do you receive any salary from any sources other than that from the hotel?

Mr. WEISS. None at all, sir.

Mr. ANSELL. Aside from your salary in connection with the hotel, do you have any other source of income?

Mr. WEISS. None at all, sir.

Mr. ANSELL. Do you have any bank account, Mr. Weiss.

Mr. WEISS. A very small bank account; yes, sir.

Mr. ANSELL. Did you have any bank account or did you make any deposit to your own account in the year 1930?

Mr. WEISS. Yes, sir.

Mr. ANSELL. May I ask what bank?

Senator LONG. That is 1930?

Mr. ANSELL. Yes, sir.

Senator LONG. That is two years before this election.

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Mr. ANSELL. May I ask what bank, sir?  
 Senator LONG. Very likely I will instruct the witness not to answer much more of this if you proceed.  
 Mr. WEISS. I think I had an account with almost every bank in town; a small account.  
 Mr. ANSELL. In 1931?  
 Mr. WEISS. About the same.  
 Mr. ANSELL. And in 1932?  
 Mr. WEISS. About the same.  
 Mr. ANSELL. Could you mention any particular bank in which you had an account in 1932?  
 Mr. WEISS. The American Bank.  
 Mr. ANSELL. Any other bank?  
 Mr. WEISS. I may have had; I do not remember.  
 Mr. ANSELL. Have you any idea how much money you had in the bank in August and September in the American Bank—August and September, 1932?  
 Mr. WEISS. I have not the slightest idea.  
 Mr. ANSELL. None whatever?  
 Mr. WEISS. No.  
 Mr. ANSELL. When did you cease having an account in the bank in town?  
 Mr. WEISS. I have not ceased. I still have all the accounts I ever had.  
 Mr. ANSELL. You still have them?

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Mr. WEISS. Yes, sir.  
 Mr. ANSELL. Outside of what we may term salary, have you received any commission or commissions of any kind?  
 Mr. WEISS. I have not, sir.  
 Mr. ANSELL. These political contributions that you received, Mr. Weiss, did I understand you to say that you had not deposited them in a bank?  
 Mr. WEISS. I did not say anything. I will tell you that I did not.  
 Mr. ANSELL. You did not?  
 Mr. WEISS. I did not say anything. That is your idea of it, but I will agree to it.  
 Mr. ANSELL. Answer my question.  
 Mr. WEISS. I will answer you.  
 Mr. ANSELL. You did not?  
 Mr. WEISS. No, sir.  
 Mr. ANSELL. Why not?  
 Mr. WEISS. Because I did not want to.  
 Mr. ANSELL. Why did you not want to?  
 Mr. WEISS. That is my own business.  
 Mr. ANSELL. It might be somebody else's.  
 Senator LONG. What was the the question?  
 Mr. WEISS. He wanted to know whether I deposited any funds in banks and why?  
 Senator LONG. Don't answer that question on my instructions.

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Mr. ANSELL. On what ground?  
 Senator LONG. Because I said not to do so.  
 Mr. ANSELL. Is that sufficient?  
 Senator LONG. That is plenty. Kingfish of the lodge. I do not think any member of the committee will ask him to answer that question.  
 The CHAIRMAN. Do I understand that you hold this committee has not the right to go into the question of bank deposits?  
 Senator LONG. I object to his answering it. If this committee tries to go into the bank situation in New Orleans I will tell him not to answer it. I have had plenty of trouble and I will not let this outfit cause any more on banks. If that is what you want to know I will tell you that is an irrelevant question, and I do not think this committee ought to be trying to cause any more trouble.  
 The CHAIRMAN. Let me suggest to the witness advice not to testify by anyone does not protect you from the results for refusal to testify.  
 Mr. WEISS. Will not protect me, you say?  
 The CHAIRMAN. No; will not protect you.  
 Mr. WEISS. I had no intention to answer, whether counsel advised me or not. I would not answer.  
 The CHAIRMAN. You mean to say you will not answer anything in reference to your bank account?  
 Mr. WEISS. No, sir. I have answered just as much as I intend to answer on it.

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Mr. ANSELL. May I have the last question I asked read, Mr. Reporter?

(Page 601)

Senator LONG. I will withdraw my objection. The question had reference to political contributions.  
 Mr. ANSELL. I wish to say to the Chair that the question had to do with his depositing political contributions in the bank; that the witness himself declined to answer, and stated that he did not intend to answer; and that his counsel advises he also need not answer.

Senator LONG. I will advise him to answer on political contributions.

Mr. WEISS. I answered by telling him I did not. Why I did not deposit them, that is my business.

Mr. ANSELL. I will again ask you why did you not deposit the contributions referred to in a bank?

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Mr. WEISS. Because I did not want to.  
 Mr. ANSELL. I ask you why you did not want to?  
 Mr. WEISS. That is none of your business.  
 Mr. ANSELL. None of my business?  
 Mr. WEISS. That is right.  
 Mr. ANSELL. The witness declines to answer.  
 The CHAIRMAN. The committee will take under consideration and act subsequently upon the refusal of the witness to testify.  
 Senator LONG. The Chair does not rule he has to answer, does he? The Chair has not ruled he has to answer?  
 The CHAIRMAN. I think it is a perfectly proper question.  
 Mr. ANSELL. I ask that the Chair make a formal ruling that the witness should answer the question.  
 Mr. WEISS. If you will permit me, sir, I do not mind telling you two gentlemen why I won't answer, but I have no intention of answering out loud. I think you will find I am fully justified. I will be delighted to tell you.  
 Mr. ANSELL. I call the attention of the Chair to the fact that this is a public hearing.  
 Senator LONG. It will be your last appearance in public.  
 Mr. ANSELL. You will see.  
 Senator LONG. You bet I'll see.  
 The CHAIRMAN. We will take a recess for five minutes.  
 (At this point a recess was taken, after which proceedings were resumed as follows:)

(Page 603)

The CHAIRMAN. The committee will come to order. Counsel for the committee will proceed.  
 Mr. ANSELL. Mr. Weiss, were you also the clearing house for the Louisiana Democratic Association?  
 Mr. WEISS. Not wholly so.  
 Mr. ANSELL. Will you state what your relation to the fiscal affairs of that association have been?  
 Mr. WEISS. I have no particular relationship to it, sir. I pay bills for them, but I have no official connection with them whatsoever.  
 Mr. ANSELL. Will you tell me what the Louisiana Democratic Association is?  
 Mr. WEISS. The Louisiana Democratic Association, as I understand it, and I again repeat I am not a member of it, is an organization composed of friends of Huey P. Long. It is an organization that was organized when he ran for governor and has been perpetuated. It is composed of men who are ward leaders, precinct captains, lieutenants, and staunch friends. The head of that organization had been Senator Huey P. Long, until such time as he resigned and retired and another man was elected to his place.  
 Mr. ANSELL. You have received moneys for that organization?  
 Mr. WEISS. Not necessarily in the name of the organization, but frequently I have helped them during campaigns. No campaign has been held in New Orleans since Senator Long was elected governor. The headquarters have been in my hotel.

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Mr. ANSELL. I can not understand what that association is. It is mystic to me.  
 Senator LONG. Let me see—  
 Mr. ANSELL. Please, not now, Senator, for the moment.  
 Senator LONG. All right.  
 Mr. ANSELL. Do you know whether this association has a meeting place or a lodge hall or not?  
 Mr. WEISS. Yes, sir. The meeting place has usually been the Hotel Roosevelt.

(Page 2208)

Mr. ANSELL. Mr. Weiss, you testified the other day that you did not want to deposit any political contributions in the banks of this city or anywhere else. You were asked why you did not want to deposit those contributions in the banks and you said that that was none of my business, none of the committee's business. I ask you now why you did not deposit these political contributions received by you in 1932 in banks?

Mr. WEISS. And again I repeat, it is none of your business.  
 Mr. ANSELL. I ask the committee to instruct this witness to answer that question and the previous questions I have asked him.  
 The CHAIRMAN. It is the duty of the witness to answer that question and he will proceed to answer it.

Mr. WEISS. With due deference to the gentleman, I refused to answer the other day. You called a recess, took me into another room, and decided I did not have to answer. Why you have had a change of heart I do not know, but I still am not going to answer.

The CHAIRMAN. I want to state to the witness that there is no evidence this committee can take as confidential. We (p. 2209) are sitting here representing the Senate, and the Senate of the United States is entitled to know any reason you have for not

utilizing the banks as a depository of the large sums that you handled in that political campaign.

Senator LONG. I think the Chair owed it to me, if you had changed your idea about that, to have told us before to-day; because you told us—I am not violating any confidence—we would not have to do that, the other day.

(Page 2214)

Mr. ANSELL. As manager of the Roosevelt Hotel, do you, in the due course of business, deposit moneys and papers, such as checks, drafts, and notes, received by that hotel in due course of business, into banks of the city of New Orleans?

Mr. WEISS. I do.

Mr. ANSELL. What banks?

Mr. WEISS. Practically all of them.

Mr. ANSELL. Will you name them?

Mr. WEISS. The American Bank, the Hibernia Bank, the Canal Bank, the Whitney Bank.

Mr. ANSELL. Inasmuch as you have testified that you deposited the money belonging to the hotel in the banks of the city of New Orleans, I ask you why you did not deposit in the banks of the city of New Orleans or elsewhere the political contributions received by you?

Mr. WEISS. Because I did not want to.

Mr. ANSELL. I will ask you again why you did not want to?

Mr. WEISS. That is none of your business.

Mr. ANSELL. I ask the committee to instruct the witness to answer that question.

(Page 2215)

The CHAIRMAN. The witness will answer the question.

Mr. WEISS. I am sorry, sir; I refuse.

Mr. ANSELL. How much property, real and personal, do you yourself own?

Mr. WEISS. Not five cents' worth.

Mr. ANSELL. You own nothing now?

Mr. WEISS. I said I own nothing.

Mr. ANSELL. What property did you personally own in the year 1932?

Mr. WEISS. None.

Mr. ANSELL. My question said properties, which includes both personal and real property.

Mr. WEISS. You mean personal—a suit of clothes?

Mr. ANSELL. Personal and real property.

Mr. WEISS. Explain it.

Mr. ANSELL. Did you have any personal and real property in the year 1932? If so, of what did that property consist?

Mr. WEISS. I am not quite as smart as you are. What is personal property?

Mr. ANSELL. You know what it is.

Mr. WEISS. I am asking you to explain it.

Mr. ANSELL. Money, checks, stocks, bonds, notes, clothing—

Mr. WEISS. That is none of your business.

Mr. ANSELL. Pocketbooks, or what not.

(Page 2216)

Mr. WEISS. If that is what it means, then it is none of your business.

Mr. ANSELL. I ask the chairman to instruct the witness to answer that question.

Senator LONG. I have undertaken to assist this committee. I think this committee knows that you can not ask questions that are not pertinent to this inquiry. I have tried to see that witnesses were properly advised about this matter. But asking a man about his wife's clothes, which, by the way, is the personal property of a witness in this State, and that kind of a business, is not proper. I think if the committee would restrict this counsel's questions to political matters, matters that are political in nature, I do not think we would have any trouble getting them answered. But to rule a man has got to disclose little personal affairs of that kind is so impertinent to this issue that I do not think the chair can possibly make any mistake in not understanding that it is. We would like to be courteous, as we should be, to this committee. I am trying to be. The committee does not deserve the courtesies which counsel may think they do, particularly in view of some of the questions that counsel has asked. I realize the two Members sitting are laymen. I happen to know the law. This witness and myself stepped into the United States attorney's office the other day—we were on passable terms with him—and even went to other Government officials, to ask about some of these personal matters and see whether or not we might be wrong or (p. 2217) they might be wrong. We were given to understand beyond any question that the range of these kinds of questions were not proper at all; and I had previously looked it up. Why can't we get down—

The CHAIRMAN. Do you state that the United States district attorney told you that such questions as these would be improper?

Senator LONG. I stepped into the United States attorney's office myself the other day. I asked him, "Do I understand the law or not?" I handed him some quotations. I said, "Have you had occasion to look this up? If I understand the law at all, this is wholly irrelevant." He read my authorities and he says, "I think those authorities are sound." But it would not make any difference whether he did or not. I am lawyer enough to know, and I do not see—

The CHAIRMAN. I assume you thought that at the time, because you went to him and wanted to know about it.

Senator LONG. I have stated what he told me. I did not want to be relying strictly upon my own judgment in the matter, because these questions were so ridiculous, some of them, that have been asked here. For instance: Your honor, you have tried out my early life in this court; you tried it out before I was 21 years old for an hour yesterday, almost. Now, certainly you know that is irrelevant. I allowed them to go on. It would not have done any good to object. You have tried whether or not I contributed money to my father—

(Page 2219)

Senator LONG. I was addressing the Chair and asking your honor trying to get a ruling we could all agree on. I do not want this witness to go away from here with an unanswered question as to any campaign fund that he ever handled. In other words, in fairness to us, we do not want the witness to fail to answer anything regarding the campaign fund. It is not fair to us for him not to answer as regards a campaign fund he may be handled. We need that the same as the other side, but going back and asking the man if he owned a suit of clothes, if he owned the shoes—

The CHAIRMAN. No such question has been asked.

Senator LONG. It was personal property, which means your suit.

Mr. WEISS. I told him I owned no property.

The CHAIRMAN. The witness will restrain himself.

Senator LONG. And whether his wife owned her clothes, and those kind of things. That is what that question embraces. Why not let us get down and the Chair instruct counsel to ask him anything he wants to about political contributions directly or indirectly to the Overton campaign or anybody running at the time, so that we will be in the proper light. The witness, of course, is a layman. He does not segregate these questions. Let us restrict it to political contributions and I am certain the witness will answer those kind of questions.

(Page 2220)

The CHAIRMAN. Is counsel through now?

Senator LONG. Yes.

The CHAIRMAN. Counsel for the committee is now recognized.

Mr. ANSELL. It is admitted by this witness, by his counsel, and by all other people testifying here on the subject that there were campaign contributions received by this witness that were not accounted for, that no record of them was kept, that there was no record kept of them, by design and for purposes—

Mr. WEISS. Who testified to that?

The CHAIRMAN. The witness will not interrupt.

Mr. ANSELL. When such is the case it is within the power—I say it is the duty—of this committee, confronted with such a situation, to endeavor to ascertain all of this witness's receipts, in order that, not helped by the witness or by counsel or by anybody else, it may endeavor to determine which of those were political and which were not.

The CHAIRMAN. The reporter will read the question.

The record was read, as follows:

"Mr. ANSELL. Did you have any real and personal property (p. 2221) in the year 1932? If so, of what did that property consist?"

The CHAIRMAN. The witness may answer.

Mr. WEISS. I am sorry, sir. I refuse to answer.

Mr. ANSELL. I will ask the committee to rule that the witness should answer.

The CHAIRMAN. He has refused to answer. The committee requires an answer, and the witness understood that we required an answer?

Mr. WEISS. Mr. Chairman, did you understand the question? Whether I had any property, real or any other kind, personal? That is his question.

The CHAIRMAN. Any real or personal property. There is no necessity of stating "or anything of that kind."

Mr. WEISS. That is what it is made up of.

The CHAIRMAN. What he wants to know is what property, what assets, did you have in the nature of real or personal property.

Senator LONG. Let us tell him. Let us tell him anything you had in 1932. Let us not let them go away from here without that. Let us tell them. It is ridiculous and absurd, of course.

Mr. WEISS. Mr. Counsel, I have just testified that I owned no real estate, not a nickel's worth. Now, then, he wants to know what personal property I have. Do you want me to sit down here and enumerate the many different things I own; whether or not I have an automobile that is paid for; whether I have two pairs of shoes that are paid for? I testified I do not (p. 2222) own a nickel's worth of real estate, and that is that. Now, the rest of it is my own personal affairs, and I refuse to answer. Go ahead with the show.

Mr. ANSELL. Did you open any savings account with the Canal Bank & Trust Co. in October, 1931?

Mr. WEISS. That is none of your business.

Mr. ANSELL. You refuse to answer?

Mr. WEISS. Yes.

Mr. ANSELL. Did you have a savings account in the Canal Bank & Trust Co. in October, November, and December, 1931?

Mr. WEISS. That is none of your business.

Mr. ANSELL. And you refuse to answer?

Mr. WEISS. Yes, sir.

Senator LONG. What is that last question?

Mr. ANSELL. Did you deposit in a savings account in any bank in this city an amount which represented your salary as manager of the Roosevelt Hotel, with certain deductions or monthly charges against it, such as long-distance telephone calls, etc., in the Canal Bank & Trust Co. in 1931?

Mr. WEISS. That is none of your business. It is not true, however.

(Page 2223)

Mr. ANSELL. Do you at the present time deposit your salary check as manager of the Roosevelt Hotel in a savings account in the Canal Bank & Trust Co. or any other bank in this city?

Mr. WEISS. That is none of your business.

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Mr. ANSELL. You refuse to answer that?

Mr. WEISS. Yes. You are away from Mr. OVERTON's campaign. If you will ask me something about that, I will try to answer. You have probably forgotten that.

The CHAIRMAN. The statement of the witness was improper and utterly out of order, and he will conduct himself otherwise.

Mr. ANSELL. I will ask you again why it was that you deposited hotel moneys in the banks and not your own.

Mr. WEISS. None of your business.

Mr. ANSELL. You refuse to answer?

Mr. WEISS. Yes.

(Page 2226)

Senator LONG. All right. I will ask you to state as fully as you can everything that you remember that you received for any campaign for the year 1932, outside of what you have already testified to; any other information that you found?

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Mr. WEISS. Yes, I found where I had certain contributions made to candidates, to our candidate for public-service commissioner; to our various Congressmen who ran, and I will be glad to give the information.

Senator LONG. All right, give all you can then.

Mr. WEISS. I think I testified the other day Mr. Caleb Weber gave \$2,000.

Senator LONG. Gave it to who?

Mr. WEISS. Gave it to me.

Senator LONG. For whom?

Mr. WEISS. Wade Martin.

Senator LONG. Who else?

Mr. WEISS. James E. Noe.

Senator LONG. How much did he give, and to whom?

Mr. WEISS. He gave me \$1,000 at one time and \$2,500 at another time, making \$3,500 total.

Senator LONG. For whom was that?

Mr. WEISS. For the Congressman in his district.

Senator LONG. Who else?

Mr. WEISS. P. M. Atkins.

Senator LONG. How much did he give you and for what?

Mr. WEISS. \$4,000 for the same purpose.

Senator LONG. All right. Who else?

Mr. WEISS. R. L. Gay.

(Page 2228)

Senator LONG. How much did he give you?

Mr. WEISS. \$2,500.

Senator LONG. For who?

Mr. WEISS. For the same purpose; for the Congressman in his district.

Senator LONG. That is Fayette Gay you are talking about?

Mr. WEISS. Yes.

Senator LONG. Was that not for the Martin campaign?

Mr. WEISS. It may have been. That is what it was used for anyhow.

Senator LONG. He lives in the eighth district, the Sabine Parish, and so forth. That is the eighth district. Did we have a candidate for Congress in the eighth district?

Mr. WEISS. Yes.

Senator LONG. Think carefully, if we supported anybody in the Overton district at all; that is between Mr. Dear and Mr. Hunter.

Mr. WEISS. No, sir; we did not. Wade Martin ran in that district, however.

Senator LONG. That is in Avoyelles Parish. Did not the chairman and counsel of this committee go with you and me into a room the other day and agree they would not ask you these banking questions?

Mr. WEISS. It was my understanding, and they certainly came back and did not ask them.

(Page 2229)

Senator LONG. Was not the chairman in there?

Mr. WEISS. He was there.

Senator LONG. Did we not give him the reasons for our asking them not to do it?

Mr. WEISS. Yes, sir.

Senator LONG. Did they not agree not to have you do it?

Mr. WEISS. That was my understanding of it.

Senator LONG. Coming back—

The CHAIRMAN. Just a moment. Does the witness mean to say—

Senator LONG. I mean to say you did.

The CHAIRMAN.—That either member of the committee stated he would not insist upon your answering that question?

Mr. WEISS. The facts are I came back and they were not asked of me, sir.

The CHAIRMAN. But your refusal to answer remained on the record and it was so indicated by the committee.

Senator LONG. Are you going to make this a question of veracity as between you and me on that? Do you not know we went into that room and left this thing, that the witness need not answer the question?

The CHAIRMAN. There was no such agreement on my part.

Senator LONG. There was not? I wonder if I could not refresh your memory?

Senator CAREY. Senator Long, my recollection is that we did not pass on it finally. It is true that we did not have him (p. 2230) answer at that time.

Senator LONG. That is right.

Senator CAREY. I do not think it is fair to say there was any agreement that the question never would be asked. It is true that we did not insist on an answer at that time.

Senator LONG. I do not claim you foreclosed yourself from coming back to it, but this man is a layman and we all went in and discussed this thing. We gave honorable and good motives—

Senator CAREY. We accepted his answer at the time.

Senator LONG. I thought it was best not to go into that. We gave you the reasons in private. I will say this, those questions could well be written out at this time. It is hardly right to the witness or others of us without any understanding at all to come in here this morning and propound questions that were at least waived at the time. Now, I want to be fair with the committee and I want the committee to be as fair with this witness as possible. I even gave this committee instances and details and went into most elaborate details for some of the reasons, and to come out here and ask these questions anew, I do not think is proper, and I in a very civil way undertook to approach the chairman so that we could talk this thing over again, so that if you are going to change as to what you thought we would do then, if you were going to take a course, that we— [page 2231 omitted from copy of transcript furnished Senator Long].

(Page 2232)

Senator LONG. How many accounts do you have in the Roosevelt Hotel a day?

Mr. WEISS. Thirty-five hundred.

Senator LONG. Thirty-five hundred accounts to-day? The question which the attorney asked you required you to disclose the affairs of 3,500 people a day that you have sometimes in the Roosevelt Hotel?

Mr. ANSELL. I asked no such question.

Senator LONG. Yes; you did. Don't dispute me.

Mr. ANSELL. You know I asked no such question.

(Page 2233)

Senator LONG. I will ask you if the questions that this counsel asked you did not require you to disclose the personal affairs of as many as 3,500 people a day sometimes, or whatever hundred it is?

Mr. WEISS. You asked me how many accounts I had. I said 3,500. I have not 3,500 people.

Senator LONG. I mean guests.

Mr. WEISS. Five hundred to a thousand people.

Senator LONG. A day?

Mr. WEISS. Yes, sir.

Senator LONG. Do you handle accounts, checks, drafts, and so forth, and things like that for your guests?

Mr. WEISS. Yes, sir; as does every other hotel in the world.

Senator LONG. Your personal accounts would include those, would they not?

Mr. WEISS. In many instances; yes, sir.

Senator LONG. The fact of the case is you were called on to explain a lot of that once, were you not?

Mr. WEISS. I would much prefer not to go into that. That is exactly what the counsel would like me to do and that is why I won't do it.

Mr. HOWELL. Mr. President, about the middle of last September a complaint was received from the senior Senator from Louisiana, Mr. BROUSSARD and, after stating that certain fraudulent practices had been indulged in during the previous primary election held on the 13th day of September, 1932, the request was made that the ballot boxes in New Orleans be seized and impounded. Doubting the committee's authority to take such action, the chairman of the committee appointed by telegram the Senator from Texas [Mr. CONNALLY] as a subcommittee of one to proceed to New Orleans, investigate, and report with recommendations. Subsequently the Senator from New Mexico [Mr. BRATTON] was added to that subcommittee. On October

6 and 7 that subcommittee held hearings in New Orleans. The result of those hearings was summed up in the concluding remarks of the chairman of the subcommittee, in which he stated that it was the view of the subcommittee that investigators should be sent to Louisiana to go into the situation.

Upon receiving a copy of the proceedings, the chairman of the committee dispatched an investigator to supplement the investigator who had been sent to the assistance of the subcommittee. That was about the middle of October. Following the election two other investigators were dispatched to New Orleans. One of them returned in December. The other three remained in Louisiana until just recently.

In the latter part of January the committee, of which I am chairman, determined to send an attorney to New Orleans to sum up the work of the investigators and report with such recommendations as he might deem proper. A report was submitted shortly thereafter recommending that hearings be conducted, beginning in New Orleans.

As the full committee was unable to proceed to New Orleans, the chairman appointed a subcommittee composed of the Senator from Wyoming [Mr. CAREY] and the chairman. They began hearings in New Orleans on February 3 and were occupied with those hearings for about two weeks, when it was deemed necessary that the committee should return so that, if it were required, the testimony could be briefed and a progress report made before the adjournment of the present session of Congress.

I might say that the investigation was conducted under great difficulties in Louisiana, and the hearings and the service in the hearings were not wholly agreeable. However, the committee performed its duty as it deemed proper, and I expect to make a progress report at a later date.

Mr. President, the work of this committee was but partially done. The investigators had secured a great deal of data out in the State, and it was planned that hearings should be conducted out in the State. If this shall be done, additional funds should be afforded, and as to whether it is to be done is for the determination of the Senate.

I say frankly that I do not care to return to Louisiana. However, as chairman of the committee, if the Senate sees fit to proceed with the investigation, I shall return and perform the duty that has been placed upon me.

I now—out of order—ask unanimous consent from the special committee to investigate campaign expenditures of the various presidential, vice presidential, and senatorial candidates in 1932, to report a resolution and request that it may be read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. Is there objection?

Mr. CLARK. Mr. President, I shall have to object to that request for the time being.

The VICE PRESIDENT. The Senator from Missouri objects.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. LONG. Mr. President, will the Senator yield to me for a moment?

Mr. THOMAS of Oklahoma. I will yield for a question.

The VICE PRESIDENT. The Senator from Oklahoma yields for a question.

Mr. LONG. I do not desire to ask a question. I thank the Senator.

Mr. McNARY. Mr. President, will the Senator from Oklahoma yield in order that I may suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Oklahoma yield for that purpose?

Mr. THOMAS of Oklahoma. I yield provided I do not lose the floor.

The VICE PRESIDENT. The Senator will not lose the floor by yielding to a call for a quorum. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Kean	Schuyler
Austin	Couzens	Kendrick	Sheppard
Bailey	Cutting	King	Shipstead
Bankhead	Dale	La Follette	Shortridge
Barbour	Dickinson	Logan	Smith
Barkley	Dill	Long	Smoot
Bingham	Fess	McGill	Steiwer
Black	Fletcher	McKellar	Stephens
Blaine	Frazier	McNary	Swanson
Borah	George	Metcalf	Thomas, Idaho
Bratton	Glass	Moses	Thomas, Okla.
Brookhart	Glenn	Neely	Townsend
Broussard	Goldsborough	Norbeck	Trammell
Bulkeley	Gore	Norris	Tydings
Bulow	Grammer	Nye	Vandenberg
Byrnes	Hale	Oddie	Wagner
Capper	Harrison	Patterson	Walcott
Caraway	Hastings	Pittman	Walsh, Mass.
Carey	Hatfield	Reed	Walsh, Mont.
Clark	Hayden	Reynolds	Watson
Connally	Hebert	Robinson, Ark.	Wheeler
Coolidge	Howell	Robinson, Ind.	White
Copeland	Johnson	Russell	

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

#### NATIONAL BANKING ASSOCIATIONS

Mr. COUZENS. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. THOMAS of Oklahoma. I yield for a statement of the purpose of the request.

Mr. COUZENS. I thank the Senator from Oklahoma.

I desire to ask unanimous consent to take up, out of order, without displacing any pending business, Order of Business 1366, Senate Joint Resolution 256. It is a brief joint resolution, and is of considerable importance; and I should be glad if the clerk would read it.

Mr. McKELLAR. Mr. President, the Senator from Arkansas [Mr. ROBINSON] is absent. Does the Senator know whether the joint resolution meets with his approval?

Mr. COUZENS. The Senator assured me that it did.

Mr. THOMAS of Oklahoma. Mr. President, if the matter can be disposed of without any lengthy discussion, I shall be very glad to yield.

The VICE PRESIDENT. The clerk will read the joint resolution.

The Chief Clerk read the joint resolution (S. J. Res. 256) authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws, which was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Resolved, etc.,* That, with the approval of the Secretary of the Treasury, the Comptroller of the Currency shall have and may exercise to such extent as he deems advisable with respect to national banking associations any powers which the State officials having supervision of State banks, savings banks and/or trust companies in the State in which such national banking associations are located may have with respect to such State institutions under State laws now in force or hereafter enacted: *Provided*, That nothing in this joint resolution shall be construed to extend the authority of the Comptroller of the Currency under section 5155, as amended, of the Revised Statutes, with respect to the establishment of branches of national banking associations. Expenses incurred by the Comptroller of the Currency in the exercise of such powers may be assessed by him against the banks concerned and, when so assessed, shall be paid by such banks.

Nothing herein shall be construed to impair any power otherwise possessed by the Comptroller of the Currency, the Secretary of the Treasury, or the Federal Reserve Board.

All powers conferred herein shall terminate on March 3, 1934.

#### LABOR CONDITIONS ON MISSISSIPPI FLOOD-CONTROL PROJECT

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New York?

Mr. THOMAS of Oklahoma. I yield to the Senator from New York.

Mr. WAGNER. I ask unanimous consent to have considered and passed Senate Resolution 300, which is upon the calendar, providing for an investigation of labor conditions prevailing upon the Mississippi flood-control project.

Mr. THOMAS of Oklahoma. I yield for that purpose if it does not take any particular time.

Mr. WAGNER. I understand that there is no opposition to the resolution.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read the resolution (S. Res. 300) authorizing an investigation of labor conditions prevailing upon the Mississippi flood-control project, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with amendments, on page 1, line 1, after the word "That," to strike out "the Committee on Commerce, or any duly authorized subcommittee thereof" and insert "a select committee of three Senators to be appointed by the Vice President"; in line 9, after the word "committee," to strike out "or any duly authorized subcommittee thereof"; on page 2, line 1, before the word "Congress," to strike out "second" and insert "third"; and on the same page, line 9, after the word "exceed," to strike out "\$10,000" and insert "\$1,000," so as to make the resolution read:

*Resolved*, That a select committee of three Senators to be appointed by the Vice President is authorized and directed to investigate the labor conditions prevailing upon the Mississippi flood-control project and, as soon as practicable, to report to the Senate its findings and its recommendations.

Sec. 2. For the purposes of this resolution the committee is authorized to hold such hearings, to sit and act at such times and places during the Seventy-third Congress, to employ such experts, and clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths and to take such testimony and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$1,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The VICE PRESIDENT. Is there objection to the consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The resolution, as amended, was agreed to.

#### RELIEF OF PUERTO RICO

Mr. BINGHAM. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Connecticut?

Mr. THOMAS of Oklahoma. Mr. President, there appear to be a number of small matters to be attended to; and, if agreeable to the Senate, I shall be glad to yield for their disposition.

I yield first to the Senator from Connecticut.

Mr. BINGHAM. Mr. President, there are on the calendar Orders of Business Nos. 1323 and 1324, Senate bill 5408 and Senate Joint Resolution 183. They are two very small measures, unanimously reported for passage by the Committee on Territories and Insular Affairs, which will protect the United States Government in its efforts to collect from persons to whom money has been loaned in Puerto Rico the money loaned for relief purposes.

We have been informed by the Relief Commission that they needed to have the time extended from 5 to 10 years in order to make these collections, and that they also needed to have the power to foreclose mortgages to protect the United States Government. There was no objection to the measures in the committee. The Senator from Arkansas [Mr. ROBINSON] has looked into them, and they are entirely satisfactory to him. It will be a protection to the United States Government to have them passed; and I hope that may be done.

The VICE PRESIDENT. The clerk will read the first bill.

The legislative clerk read the bill (S. 5408) relating to the revolving fund established by the joint resolution of December 21, 1928, for the relief of Puerto Rico, as follows:

*Be it enacted*, etc., That the last sentence of section 3 of the joint resolution entitled "Joint resolution for the relief of Porto Rico," approved December 21, 1928, is amended by striking out "5 years" and inserting in lieu thereof "10 years."

The VICE PRESIDENT. Is there objection to the present consideration of the bill? The Chair hears none.

The Senate proceeded to consider the bill.

Mr. KING. Mr. President, may I ask the Senator whether it was conceded that 10 years were needed, rather than an intermediate period between 5 and 10 years?

Mr. BINGHAM. It was the opinion of the relief commission that they could work out the indebtedness due the United States better if the period were increased from 5 to 10 years.

Mr. KING. I shall not object.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The VICE PRESIDENT. The clerk will read the next measure.

The legislative clerk read the joint resolution (S. J. Res. 183) to amend a joint resolution entitled "Joint Resolution for the relief of Porto Rico, approved December 21, 1928," as amended by the second deficiency act, fiscal year 1929, approved March 4, 1929, which had been reported from the Committee on Territories and Insular Affairs with amendments, on page 1, line 7, after the word "the," to strike out "Porto" and insert "Puerto," and on page 2, line 2, after the words "island of," to strike out "Porto" and insert "Puerto," so as to make the joint resolution read:

*Resolved*, etc., That in carrying out the provisions of the joint resolution entitled "Joint resolution for the relief of Porto Rico, approved December 21, 1928," as amended by the second deficiency act, fiscal year 1929, approved March 4, 1929, the Puerto Rican Hurricane Relief Commission is authorized to acquire in the name of the United States the title to parcels of land and other property, real or personal, in the island of Puerto Rico, in satisfaction of debts owing to the United States, and to purchase parcels of land at sales under judgments or decrees of foreclosure of mortgages on such land. The commission is further authorized to lease and/or to dispose of all property so acquired under such rules and regulations as it may make from time to time, and in the exercise of these powers may execute deeds or other necessary and appropriate instruments in the name of the United States.

Mr. KING. Mr. President, what is the purpose of this joint resolution?

Mr. BINGHAM. The purpose of the joint resolution is to permit the commission to foreclose mortgages. There are a number of people in Puerto Rico to-day who have borrowed from the commission and are unwilling to pay, although they have property and ought to pay; and we neglected to give the commission the power to foreclose on them.

Mr. KING. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

#### COMPETITIVE CONDITIONS RELATIVE TO THE WOOD-PULP INDUSTRY

Mr. DILL. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Washington?

Mr. THOMAS of Oklahoma. I yield to the Senator from Washington.

Mr. DILL. I ask unanimous consent to take up a resolution to which I think there will be no objection. It is Senate Resolution 365, which was on the table yesterday, but was not reached because of the resolution of the Senator from Kentucky [Mr. BARKLEY]. It is a resolution asking the Tariff Commission to make an investigation as to the effect of depreciated currency on the pulpwood industry. I have talked with the Senator from Oregon [Mr. McNARY] and the Senator from Arkansas [Mr. ROBINSON] regarding the resolution, and they have no objection to it.

The VICE PRESIDENT. Let the resolution be read.

The legislative clerk read the resolution (S. Res. 365) submitted by Mr. DILL on the 20th instant, as follows:

*Resolved*, That the Tariff Commission be, and is hereby directed to investigate and report to the Senate at as early date as possible the competitive conditions as they relate to the wood-pulp

industry of the United States, and particularly in relation to pulp timber, pulpwood, and mechanical and chemical wood pulp produced in Canada, Sweden, Finland, and Norway, said investigation to be based upon the costs in the various countries as computed on the standard gold value of United States currency used in payment for labor and other costs in domestic industry.

The commission is further directed to make such use of the data and findings of the United States Conservation Board, which has conducted a complete survey in the domestic field of the pulp business during the past few years, as will be useful in making its report to the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. KING. Mr. President, I have no objection to the consideration of the resolution; but I ask the Senator, why limit the investigation to several countries, and why attempt to limit it to an investigation as to the effect of the gold standard? Why not take into account all factors and elements that would go to determine whether the tariff was too high or too low?

Mr. DILL. I may say to the Senator that there is no tariff on pulpwood. The only places that pulpwood comes from in any quantities are the countries I have mentioned here. The Tariff Commission have much of this material on hand, but it ought to be brought up to date. It is of such importance to the pulpwood industry in this country that I think it is essential that we have the information.

Mr. KING. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered by the Senate and agreed to.

#### PAYMENT OF CLAIMS OF MEXICAN GOVERNMENT

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. THOMAS of Oklahoma. I do.

Mr. BORAH. I invite attention to Order of Business 1325, House bill 13534, authorizing an appropriation of \$15,000 each for the families of the two Mexican students who were killed in Ardmore, Okla., last year.

The bill has been passed by the House, and has the unanimous support of the Committee on Foreign Relations. It is rather important that the matter be disposed of as speedily as possible. I therefore ask unanimous consent for its consideration.

The VICE PRESIDENT. Let the bill be read.

The legislative clerk read the bill (H. R. 13534) authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated, as follows:

*Be it enacted, etc.,* That there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$15,000 for payment to the Government of Mexico for the account of the family of Emilio Cortez Rubio, and a further sum of \$15,000 for payment to the Government of Mexico for the account of the family of Manuel Gomez, as an act of grace and without reference to the question of legal liability of the United States, for the killing in or near Ardmore, Okla., on June 7, 1931, of Emilio Cortez Rubio and Manuel Gomez by two deputy sheriffs of the State of Oklahoma.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. KING. Mr. President, I have no objection to the consideration of the bill, but I want to suggest to my friend from Idaho that I hope the passage of this measure will be an admonition to Mexico that she ought to deal fairly with the families of American citizens who have been killed in Mexico. The Senator recalls that at San Ysabel eight or nine fine American engineers who went into Mexico, in the pursuit of their calling, and in part for the benefit of the Mexican Government, under the assurance by the Mexican Government that they would be protected if they did so, were massacred. Not a penny was paid to their relatives nor to the relatives of any of the five or six hundred American nationals who have been killed in Mexico during the past 15 or 20 years.

The bill was ordered to a third reading, read the third time, and passed.

#### PARTICIPATION OF FOREIGN NATIONS IN CHICAGO WORLD'S FAIR

Mr. KING. Mr. President, several days ago I reported favorably House Joint Resolution 561, amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932.

The passage of this joint resolution by Congress is desired by those who are conducting the World's Fair in Chicago and the administrators of that fair, both those representing the Federal Government as well as those representing the municipality. The joint resolution merely authorizes the President to extend invitations to foreign governments to become exhibitors and provides the methods by which they may bring in their exhibits for presentation and make such disposition of them as may be authorized. It is in the usual form, and there is no appropriation provided.

The VICE PRESIDENT. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed, as follows:

*Resolved, etc.,* That section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, be, and the same hereby is, amended so as to read as follows:

"Sec. 2. That all articles which shall be imported from foreign countries for the purpose of exhibition at the exposition to be held by and known as A Century of Progress, in section 1 of this joint resolution called the Chicago World's Fair Centennial Celebration, or for use in constructing, installing, or maintaining foreign buildings or exhibits at the said exposition, upon which articles there shall be a tariff or customs duty, shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful, at any time during or within six months after the close of the said exposition, to sell any articles provided for herein, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when sold or withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles, which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal: *Provided further*, That imported articles provided for herein shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: *Provided further*, That articles which have been admitted without payment of duty for exhibition under any general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That all necessary expenses incurred, including salaries of customs officials in charge of imported articles, shall be reimbursed to the Government of the United States by A Century of Progress, also known as the Chicago World's Fair Centennial Celebration, under regulations to be prescribed by the Secretary of the Treasury."

Sec. 2. That section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932, be, and the same hereby is, amended so as to read as follows:

"Sec. 7. All necessary expenses incurred by the United States in carrying out the provisions of this act shall be reimbursed to the Government of the United States by A Century of Progress, also known as the Chicago World's Fair Centennial Celebration, under regulations to be prescribed by the Librarian of Congress and by the Commissioner of Patents, respectively."

Sec. 3. That the receipts from reimbursements to the Government of the United States paid by A Century of Progress, also known as the Chicago World's Fair Centennial Celebration, as provided in the joint resolution entitled "Joint resolution authoriz-

ing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, as hereby amended, and in the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932, as hereby amended, shall be deposited as refunds to the appropriations from which paid, instead of being covered into the Treasury as miscellaneous receipts as provided by the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1908, and for other purposes," approved March 4, 1907, in the manner provided for receipts from reimbursable charges for labor, services, and other expenses connected with the customs, in section 524 of the tariff act of 1930.

#### METHOD OF RATIFICATION OF AMENDMENT TO THE CONSTITUTION

Mr. ASHURST. Mr. President, I hope that what I now say may prove to be timely and efficacious in forestalling what might lead to a serious error, namely, a number of lawyers, some of them highly respectable in ability, are promulgating opinions that Congress has the power to prescribe the method in which the States should call conventions to ratify the amendment to the Constitution recently proposed by the adoption of Senate Joint Resolution 211.

Mr. President, when Congress proposes—that is to say, submits—an amendment, the function of the Congress therewith has ended. When Congress proposes or submits an amendment, its functions as to that amendment are completed, and Congress has no power to recall that action.

It is harmful for the country to get the impression that the Congress will or should consider the question of enacting any law which will prescribe for the States the kind or nature of conventions the States shall hold to consider ratification thereof. The States would resent—and justly resent—the enactment of such a law by Congress. I am convinced that if Congress attempted to prescribe the nature, form, or character of conventions or how the conventions should be called or conducted, and if the controversy could ever reach the Supreme Court of the United States, that court would declare such act of Congress to be beyond the authority of Congress.

Mr. President, there is, or at least there should be, no complexity about the question; Article V of the Constitution of the United States grants to Congress the power to propose amendments to the Federal Constitution, and it also grants to Congress the discretion and right to choose whether proposed amendments shall be ratified by the legislatures of or conventions in the several States. If Congress chooses the legislature, the States are restricted in ratifying to the legislature. If Congress chooses the convention, then the States are restricted in ratifying to the convention. Congress has no power or authority to interfere with the action of a State in regard to calling such convention.

Mr. President, suppose some State, instead of clinging to a bicameral legislature, should conclude to have a one-chambered legislature—as indeed one of the States for a time did have—that fact would not resolve the legislature of that State into a convention; it would be a legislature nevertheless. Therefore timely warning should be sounded against any proposal to appropriate money from the Federal Treasury to pay the expenses of conventions in the various States.

The States have plenary power to call their own respective conventions. Congress has no right, no authority, and no business to attempt to dictate to the States how they shall call these conventions. If a State desires to have 150 delegates in its convention, or desires to have 50 delegates, that is the right, duty, and function of the State, and the Federal Government would be an offensive and unconstitutional intruder if it attempted to dictate to the States what sort of a convention should be held, or how the delegates should be apportioned or selected.

Mr. KEAN. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. KEAN. I would like to ask the Senator whether the way to get at this, so as to settle the whole thing, would not be for Congress to pass a resolution asking the Attorney

General to render an opinion to Congress as to its right and as to the rights of the States.

Mr. ASHURST. I have no objection to the Attorney General furnishing an opinion, but I doubt if he would care to do so. I fail to perceive why there should be doubt and complexity about the question. It has astonished me that eminent lawyers, including a former Attorney General, of large ability, apparently take the view that Congress should or may prescribe the mode to be followed by the conventions in the several States.

Possibly some of the confusion and complexity arises from this circumstance, that whilst the original Constitution was, indeed, submitted to conventions in the States, every amendment except the instant case has been submitted to the legislatures of the several States, rather than to conventions in the several States.

My view is that it would be offensive, unconstitutional, almost insulting, to the States for the Federal Government to attempt in any way to dictate to the States how or in what manner they should choose the delegates or hold the conventions. That is left to the respective States.

#### COMMENTS ON ECONOMIC CONDITIONS

Mr. THOMAS of Oklahoma. Mr. President, I propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. What is the pending business before the Senate?

The VICE PRESIDENT. The independent offices appropriation bill.

Mr. THOMAS of Oklahoma. Mr. President, the bill which is now the unfinished business before the Senate is House bill 14359. As I understand, that bill has been temporarily laid aside so that the appropriation bill might be considered.

The unfinished business, as I understand, is the bill I have just mentioned. It has the following title:

An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States."

By reference to page 40 of the bill I find that the measure before the Senate is simply an added chapter to our existing bankruptcy laws, chapter 8, under the title "Provisions for the Relief of Debtors."

On page 48 I find section 75, with the heading "Agricultural Compositions and Extensions":

Sec. 75. Agricultural compositions and extensions: (a) Courts of bankruptcy are authorized, upon petition of at least 15 farmers within any county who certify that they intend to file petitions under this section, to appoint for such county one or more referees to be known as conciliation commissioners.

Mr. President, this is the bankruptcy bill. Why is it necessary at this time to propose to enact additional bankruptcy legislation? What is responsible for present conditions? The answer must appeal to everyone. First, low prices. Second, a lack of buying power. Third, no money. Fourth, no credit.

What little available money we now have based upon the buying or purchasing power of farm products is worth 200 cents to the dollar. There is at this time practically no credit whatever. Yet, on yesterday, the spokesman for reactionary thought for a decade in the Senate made the statement that there is plenty of gold; that there is plenty of currency; that there is plenty of credit, and that neither gold nor currency nor credit should be disturbed.

Mr. President, I want briefly to refer to the speech made yesterday by the distinguished senior Senator from Ohio [Mr. Fess], but before I do that let me say that to-day is the anniversary of the birth of George Washington, the two hundred and first anniversary of the birth of the Father of his Country.

George Washington established the greatest structural government ever devised by the genius of man. Under such fundamental concepts of just governmental policies, this Government of ours became the richest, the strongest, the most respected, and, therefore, the most influential Nation of the earth. To-day, almost 137 years since this famous

address was given by the Father of his Country, it having been delivered on the 7th of September, 1796, what conditions do we find in this Nation established under the charter shaped by the genius of Washington?

We find 12,000,000 of our citizens wholly unemployed and an estimated 6,000,000 more only partially employed. Those citizens do not represent single individuals. As a rule, the unemployed men and partially unemployed men are married and have families. The average family is five, composed of a man, his wife, and three children. If it is true that we have to-day 18,000,000 unemployed and partially unemployed, we must multiply that number by something like five, and thus we arrive at a correct estimate of the number of people in the country to-day without means of support, without buying power, without money, without food, and without shelter.

Mr. President, it is somewhat embarrassing to have to admit that after 137 years under such a Government, to-day, the two hundred and first anniversary of the birth of the Father of his Country, we are proposing to enact bankruptcy legislation to take care of the multiplied tens of millions of the citizens of the Nation to-day destitute and in want.

The problem of the unemployed is not the only problem. We now have something like 30,000,000 of men, women, and children forming the farm population of America, and hundreds of thousands of them have already lost their farms. Against others perhaps hundreds of thousands of foreclosure petitions are pending. These farmers, having the lands of the Nation, in many sections having the best crops ever raised, can not sell those good crops for enough money to pay their taxes. Even if they could pay their taxes they would not have enough left with which to pay their interest. If they could pay their taxes and their interest they would have nothing left with which to support themselves and their families.

Yet the distinguished Senator from Ohio [Mr. Fess] made the statement yesterday that we have plenty of gold, we have plenty of currency, we have plenty of credit, and as I interpret his statement he argued against any increase in the prices of the products of the farm.

I can not allow such statements to pass without protest. I am not going to oppose the pending measure. I am not now taking time with that in view. If one should have a cancer it might be necessary to have the member containing the deadly germs removed. It may be necessary, since we have gone so far, to enact this bankruptcy legislation. But for 41 months the Congress, the only policy-making branch of the Government, has remained in session days and weeks and months, and now, when the people of the country are becoming insolvent and bankrupt, we propose to pass a bill providing that when they become insolvent, bankrupt, and destitute, they can go to a Federal agent, admit their pauperism, admit their bankruptcy, and have a Federal agent take charge of their affairs for a few days, hoping that perchance their ship may come in.

But, Mr. President, millions of these farmers and laboring men do not even live upon a river, they do not live upon a lake or upon an ocean, and if they did, even so they have no ship to come in. There is no hope for relief for these millions of our people if we are to sit here and enact bankruptcy legislation and propose to loan the Federal credit to such of our citizens who may have collateral and therefore credit.

Let me call attention to some remarkable statements made by the distinguished Senator from Ohio [Mr. Fess] on yesterday. His remarks will be found on pages 4571 to 4584 of the CONGRESSIONAL RECORD. The first statement he made is as follows:

Cheap money has always been regarded as a panacea. It was so in colonial days.

Mr. President, the distinguished Senator from Ohio has left the Chamber. I desired to ask him some questions. In the colonial days, the population living along the Atlantic seaboard was something like 3,000,000. They had their trials and tribulations and struggles. They had to have money. They had to have a medium of exchange. They could not use corn. They could not use wampum any longer. It was

not practical to use tobacco. So they adopted a system of money. When the gold gave out, when the silver was exhausted, there was nothing left for the Continentals to do except to begin issuing paper money. They issued the paper money, and it served its purpose. If the Senator from Ohio were present I would ask him what would have happened to the Colonials had they not issued paper money in those trying days of the Revolution.

The second proposition referred to by the distinguished Senator from Ohio was the matter of the greenbacks issued during the time of the great conflict between the North and the South. I read from his speech of yesterday:

When we were confronted by the great Civil War and our money seemed to be exhausted we had to resort to the issuance of paper currency.

Mr. President, who was it that resorted to paper currency? Was it not the patron saint of the distinguished Senator from Ohio—Abraham Lincoln?

The Senator from Ohio has just reentered the Chamber. I will repeat the question I proposed a moment ago. What would have happened to the Colonies had they not issued the paper currency referred to on yesterday in the address delivered by the distinguished Senator from Ohio? I get no answer. The second question: What would have happened to the Northern States had not Lincoln and the Congress issued and provided for greenbacks away back yonder in 1862, 1863, 1864, and 1865? Again the Senator from Ohio reads his newspaper and refuses even to indicate that he hears my interrogatory.

Mr. President, a little further on in his speech the distinguished Senator from Ohio made this statement, referring to the greenbacks:

To-day the amount is \$346,000,000, and it changes not from year to year, as the Federal reserve bank notes change according to the amount of reserves deposited in the Federal reserve banks.

In that statement the distinguished Senator from Ohio admitted that although the greenbacks were issued way back yonder in 1862 to 1865, to-day we still have in circulation \$346,000,000 of this worthless money so described by him on yesterday. When the gold of the North gave out in the sixties, when the silver was exhausted, the Northern States found it necessary to issue money. They had no gold. They had no silver. The States of the North were forced to issue greenbacks, and hundreds of millions of those greenbacks were issued in those trying times. I wonder what would have happened to the North if the Congress at that time had been under the leadership of the distinguished Senator from Ohio. He would not have issued greenbacks. There was no gold and there was no silver. The North would have collapsed. There could have been no alternative.

Mr. President, what confronts the Nation to-day? Not the conditions that confronted us in the days of the colonies, not the conditions that confronted us during and immediately after the War between the States, but a condition may confront this Congress and this people in the course of the next few months as serious as confronted the Colonials and as confronted the North in those trying days away back yonder in the sixties.

Mr. President, to-day we have a \$5,000,000,000 Government with a \$2,500,000,000 income. Last year and this year our Nation has created deficits in sums approximating \$2,500,000,000 per annum. When this fiscal year ends the Nation and we, the policy makers, will have to face a \$5,000,000,000 deficit. That is not all. During the past two years we have not only run behind \$5,000,000,000, but Congress has created the Reconstruction Finance Corporation which has in turn distributed Federal credit to the extent of \$2,000,000,000 in making loans to banks and railroads and business concerns of the Nation. Add that \$2,000,000,000 to the \$5,000,000,000 deficit and there is \$7,000,000,000 in those two items alone.

But that is not all. We are now proposing to loan additional Federal credit, and when that is done at the end of the next fiscal year, instead of having a \$5,000,000,000 deficit and \$2,000,000,000 loaned, we may have \$4,000,000,000

loaned. That will make \$9,000,000,000 of deficit and loans that must be paid.

But that is not all. During the coming few months we face the refunding of something like \$6,000,000,000 of Government bonds. We must raise that money somehow. Add that to our deficit of \$5,000,000,000 and the \$2,000,000,000 loans, and perhaps \$2,000,000,000 we will loan this year, and we have a sum approaching \$15,000,000,000 that we must raise somehow in the immediate future. How is it to be done?

The Senator from Ohio [Mr. Fess] proposes to raise that money on the basis of a 200-cent dollar, so when we raise by taxes on borrowing a dollar we make somebody contribute 200 cents to pay or to loan us that dollar. Who in the end is to pay those obligations? The people must pay them. Labor must pay the money. Wage earners must pay the money. Farmers must pay the money. Producers must pay the money. When they do, if the policy of the distinguished Senator from Ohio prevails, they will be forced to raise 200 cents in value to pay off each dollar of those obligations.

I can not support that kind of a proposal, Mr. President. But the Senator from Ohio, in his lengthy speech on yesterday, laid down those different proposals.

Let me call attention to some other remarks made by the distinguished Senator from Ohio on page 4668 of the RECORD, I read:

I can not think there can be any sound contention whatever that we need more money. The only sound contention is that we should better use what we have.

The money that who has, Mr. President? Do the 18,000,000 unemployed have money? Do the men in the soup lines of the cities have money? Let them make a better use of the money they have. What about the 30,000,000 farmers of the Nation, have they money? They can not pay their taxes; they can not pay their interest; they can not pay their debts; and yet the distinguished Senator from Ohio lays down the proposition as a remedy for existing conditions that if the unemployed and the farmers will only use what money they have, their day of salvation will assuredly be at hand. A little further on the distinguished Senator says:

If we could proceed now to balance the Budget \* \* \*.

Mr. President, that is about all we have heard recently, "If we could just balance the Budget, the sunshine of prosperity would begin to dawn upon the American people and upon the world." Balance the Budget! Well, last winter we balanced the Budget, so we were told; at any rate, the House of Representatives passed a bill in conformity with the recommendations of the Treasury. The bill came to this body and we were proceeding to consider the bill when hurriedly one day the President sent the word "In 20 minutes I will be there." This body took a recess; the President all nervously excited came here and made a speech and told the Senate that the figures given by the Treasury were too small; that we could not balance the Budget if we accepted those figures; that we must accept a larger estimate of deficit. Then the Senate, acting through its Finance Committee, proceeded the same day to raise the rates, and the same day, if I remember correctly, we passed a bill recommended by the Treasury Department and the President to balance the Budget and exactly as the administration recommended. Yet after that bill was passed we now learn that our tax income is less this year than it was before the new tax measure was passed.

Mr. WHEELER. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. Another suggestion, as I recall, that was made by the Senator from Ohio yesterday was to the effect that before we could have any prosperity we must do something to restore confidence in the banks. I should like to remind the Senator of the testimony that was given by Mr.

Charles E. Mitchell yesterday to the effect that he had been drawing down bonuses and salary amounting to something like \$3,000,000 in three years, and that he had sold his stock on one occasion to one of his relatives in order to avoid paying his income tax. The best way, it seems to me, I should say in answer to the Senator from Ohio, to restore confidence in the banks would be for them to remove these crooked presidents from the banks and treat them the same as Al Capone was treated when Capone avoided the payment of his income tax.

Mr. THOMAS of Oklahoma. I thank the Senator from Montana. The Senator from Ohio said:

If we could proceed now to balance the Budget.

Mr. President, the Senator from Ohio has been a Member of the Senate for years; the Senate is still organized by his party; the committees are under the control of members of his party and of his administration. What recommendation have we for balancing the Budget? How can the Budget be balanced? "Why," some one says, "cut expenses"; somebody else perhaps might say, "Raise more taxes." From what source, however, can the Congress get more taxes? We could pass a sales tax bill, it is said. Perhaps we could; and if a sales tax bill were passed, placing a tax upon food, upon clothing, upon overalls, upon brogan shoes and cotton socks and hickory shirts, the things that the people eat and wear, it would raise some money; that is true; but, Mr. President, a sales tax has been considered in both branches of the Congress.

It has been proposed in the other branch of Congress and was turned down; it has been discussed in this branch; but, unless public sentiment changes, I make the prophecy now that it will be a long time before the Congress of the United States adopts a general sales-tax policy in order to balance the Budget. How, then, can the Budget be balanced? Here is what the Senator from Ohio says about the matter, and, at this particular point, I think he reasons logically. He says:

No manufacturer is going to increase his expenses in expanding his business and employing labor unless he knows that there is reasonable ground for him to believe that what he produces will be purchased, that he can sell it. If he can not sell what he makes, what is the use taking the risk?

That is a good argument. Why are the factories closed? Because the factories can not sell the commodities they are equipped to make; and when they can not sell them, of course, they will not make them. That is the condition today. The factories would like to reopen; the factories would like to be employing labor; the factories would like to be borrowers of money; but, because they can not sell the things they make, they do not dare to reopen their doors.

Why can not they sell their products? Because there is nobody to buy such products. Why is there no one to buy them? Because there is no one who has the gold, who has the credit, who has the currency, to make the purchases; and yet we heard the statement made yesterday that we had plenty of gold, plenty of currency, and plenty of credit.

Mr. HATFIELD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from West Virginia?

Mr. THOMAS of Oklahoma. I yield.

Mr. HATFIELD. The factories have no credit at the present time. In other words, their investments are frozen assets. Is that not true?

Mr. THOMAS of Oklahoma. Exactly so. The factories have no credit. On yesterday the distinguished senior Senator from New York interrogated the Senator from Ohio, suggesting a criticism of the bankers for not loaning money. Mr. President, I am not a banker; I never was behind the counter of a bank; and yet I can not complain and criticize the bankers for not loaning money. Why are the banks not loaning money? The money in the vaults and on the books of the banks does not belong to the bank officials. The money in the banks belongs to the depositors of the banks. The bank officials are nothing more nor less than the custodians, the guardians, the trustees of the funds under their jurisdiction and control; and when bank officials loan these trust funds

such officials should be sure that they will not only get their profit in the form of interest but in time that the principal will be paid back to them; and now what business in the country, what property in the country, is sufficiently secure and sufficiently prosperous upon which banks dare take the chance of making loans? I pause for a reply.

Mr. President, the Senator from Ohio is eminently correct in excusing the factories for not reopening; he is eminently correct and logical in explaining why they can not reopen and why they are not now open. They are not open because they can not sell their products, and, unless they can sell their products, they can not get money with which to pay for their raw materials and for their labor. Factories are not open and they can not reopen until times get better and a demand comes for the products they are equipped to make.

Then, Mr. President, the Senator from Ohio referred to one of his friends out in Ohio whose business is in the hands of a receiver, and the Senator from Ohio says:

Did not that man make a better product, which could be sold for less money, without a sacrifice of the wages of labor? He did. Then what is the matter? There were no purchasers, and that man's business is now in the hands of a receiver.

That is what has happened to the factories in Ohio; that is what has happened to the factories in Pennsylvania; that is what has happened to the factories scattered throughout the length and breadth of this land.

Mr. FESS. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. THOMAS of Oklahoma. I yield.

Mr. FESS. The Senator from Ohio would like the Senator from Oklahoma not to make the statement that the factory referred to was in Ohio.

Mr. THOMAS of Oklahoma. I accept the correction. The Senator did not state in his address yesterday in what State the factory was located, and I was reasoning by analogy. I am glad to make the correction.

Then, Mr. President, on the same page I find this statement:

No man is going to be willing to risk the purchase of raw material to go into a manufactured product unless he knows that he is not to be forced to sell at a declining price instead of a rising price.

Mr. President, what causes receding prices; what causes falling prices? One thing is the deflation of money—making money scarce. When money becomes scarce it goes up in value, and as money goes up in value commodity prices go down. A generally falling market is predicated upon a rising dollar, and vice versa. So, Mr. President, if the Senator wants to help his friend reopen his factory and get it out of the hands of the receiver in my judgment, he should join the forces of the country who are in favor of reflation instead of urging and extenuating further deflation of the money of the country.

Under reflation, by placing more money in circulation, money becomes more plentiful, and as money becomes more plentiful it becomes cheaper, and as money becomes cheaper commodity prices go up in value. There is no argument contrary to that statement of an economic principle.

Then further, Mr. President, I find this statement:

Let me repeat—

Says the Senator from Ohio—

what I stated a moment ago; the plain duty of the Congress is to cut the expenses of the Government, without fear or favor, everywhere it can be done.

Of course, we are all in favor of that; there is no man anywhere who is not in favor of cutting the expenses of the Government where it can be done. The clause "where it can be done" is a saving limitation. The Senator in his argument says we can not cut the expenditures required to pay interest on the public debt. We have a public debt of \$21,000,000,000, and that public debt carries a specified and specific rate of interest, and in order to preserve the credit of the Nation we must pay that interest. That sum can not be reduced, and the Senator does not propose to reduce it.

As a second proposition the Senator says we must continue to provide for our sinking fund. We have to raise now about half a billion dollars a year to be placed in the sinking fund so that as the bonds of the Government become due we will have a fund there to retire them. The Senator from Ohio is in favor this year of raising a half billion dollars to replenish the sinking fund so that the holders of the obligations of the Government may be assured that when their bonds mature there will be money available with which to redeem them.

Then the Senator from Ohio says, "We can not cut the Army appropriation, we can not cut the Navy appropriation, and we can not cut the Veterans' Administration appropriation."

Mr. President, the Senator says, "We must balance the Budget." We must do that by cutting appropriations; but we can not cut the interest on the public debt. We must still appropriate money to make up the sinking fund. We can not cut the Army appropriation. We can not cut the Navy appropriation. We can not cut the appropriation for the Veterans' Administration. What is left? Nothing but salaries and the little construction going on throughout the Nation.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Tennessee?

Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. We pay out a great deal of money in subsidies. As the Senator knows, the Senate Committee on Appropriations, and afterwards the Senate, cut off some of these subsidies—notably the air subsidies—and the House of Representatives and the representatives of the majority in this body put them back. We can cut off the subsidies if we will, but it seems that it is very difficult to get subsidies to the great interests even cut down, much less cut off.

Mr. THOMAS of Oklahoma. Mr. President, the testimony shows—and I thank the Senator from Tennessee for making that suggestion—that we are making an appropriation of \$19,000,000 each year to carry mail by airplane. It shows that the companies having these air mail contracts are financed from New York City. The biggest banks in New York City own and control, if not in toto, substantial portions of the financial structure of these great air lines. So, Mr. President, when the Congress proposes to cut down the subsidies for carrying mail we immediately run into the spider web yonder.

I call the attention of the Senate to that diagram up on the wall, something like 10 feet square. It shows a gigantic spider web. In the center of that spider web is the spider himself that wove it. At the top of that chart I find these words:

Spider web of Wall Street.

Mr. President, every web upon that chart leads out to a name in the circle; and the name is the name of some bank, some railroad company, some smelting company, some oil company, some transportation company, some ship line. There are 100 names, perhaps, upon that web; and there, in the center, is the spider.

I said in New York, a few nights ago, that the Congress of the United States was simply one of the clients of the big banking interests of New York City. I had never seen that map at that time; but that is the best contribution I have seen, the best argument to demonstrate the truth of my assertion, made a few nights ago in the great city of this Nation.

Again I read from the address made by the distinguished Senator from Ohio, on page 4582:

There would be for a little while an impetus that would cause an increase in commodity prices.

The Senator from Ohio was arguing that if money were put in circulation it would not increase prices.

You could increase the gold of the Republic, you could increase the silver of the Nation, you could throw billions upon billions of paper money into circulation and that would not increase commodity prices—

Says the Senator from Ohio. He says—

If you put this money in circulation we might have a little rise immediately, but then prices would start to go down, and they would go down and down and down until soon they would be lower than they are to-day.

I will read again:

There would be for a little while an impetus that would cause an increase in commodity prices, but that increase would soon be retarded, and the result would be that in a very short time we would be selling at a lower price than we are selling at the present time.

Mr. President, to prove that statement the Senator from Ohio quotes from a great former Secretary of the Treasury, John G. Carlisle.

I am going to quote from Mr. Carlisle the same words quoted yesterday and see whether or not this quotation sustains the argument undertaken to be made by the Senator from Ohio.

Mr. Carlisle says—I am quoting from a part of the quotation read on yesterday—as follows:

Their wages—

Meaning the wages of wage earners—

Their wages will remain stationary, or at best they will rise slowly and at long intervals, while the prices of the necessities of life are liable to rise suddenly from day to day as the value of the currency changes.

Mr. Carlisle says that if we put money in circulation, it is true that salaries will not be raised immediately, that perhaps the wages of laborers will not be raised immediately; but if we put money in circulation, while salaries may not rise, commodities will rise, he suggests, violently, from day to day. They would if the increase were not controlled.

Then, again, says Mr. Carlisle:

And he must pay whatever prices are demanded in the market or go without food.

Yet the Senator from Ohio made the statement yesterday that we could increase our gold and increase our silver and increase our currency and yet prices would not go up, and he quoted Mr. Carlisle. Mr. Carlisle's whole question is just to the opposite effect—that while salaries will not be raised, while wages will not go up immediately, the moment we increase the currency of the country prices will go up, because money will come down; and one is the corollary of the other.

Then on the next page we find this, to me, amusing admission made by the Senator from Ohio. He said:

That is my position. Senators, that statement is incontrovertible. The laborer, representing 85 per cent of our population, is going to be harmed to the extent that the price of necessities increases.

On the previous page he said the prices would not increase; that they would go down. On the next page he says that if we put money in circulation, make money cheap, make money plentiful, wages will not go up, but the prices of commodities will go up and labor will be injured and destroyed.

This is the kind of "sound money" argument that has been made to the people for 15 years.

Again says the Senator from Ohio:

Here are \$24,000,000,000 of American savings in the savings banks of this country. That is cash.

Mr. President, I know that the distinguished Senator from Ohio knows the difference between cash and credit. He did not mean that that \$24,000,000,000 was cash. He could not have meant that it was cash. There are only nine billions of cash—gold, silver, and paper—in existence in the Nation. Take all the gold—that is four and a half billions—take all the silver, take all the paper money of all kinds that we have, and add it together and it makes nine billions and that is all. Yet the Senator from Ohio told the Senate on yesterday that the savings banks of the Nation have on deposit twenty-four billions of the hard-earned nickels and dimes and quarters and dollars of the washerwomen and the day laborers, and the street cleaners of the country—twenty-four billions in cash in the savings banks of the Republic.

Mr. President, to-night when the banks all close to balance their books—there are something like 20,000 banks re-

maining—when all those banks close in all the States, North and South, East and West, national banks and State banks and private banks, they will not have in their vaults the sum of \$800,000,000 in cash; yet on yesterday we were told that the savings banks alone had on deposit twenty-four billions in cash!

On yesterday I presumed to call the attention of the Senator from Ohio to some misstatements that I thought he was making. He advised me that he was quoting from the record; that he did not take statements made upon the Senate floor. Mr. President, I now quote from the record.

I have here the text of the Annual Report of the Comptroller of the Currency, December 5, 1932. On page 75 of that report I find the following statistics, under the heading as follows:

Summary of reports of condition of all reporting banks in the United States and possessions by classes at the close of business June 30, 1932.

That was the 30th day of June of last year. On that date the Comptroller of the Currency reports that all the banks—national, State, and private—of all the country had cash in their vaults in gold and gold certificates and all other cash in the sum of \$791,627,000. That is all the money that all the banks had in their vaults. Yet on yesterday there was made upon this floor the statement that the savings banks alone had 24 billions in cash in their vaults; and we have only a comparatively few savings banks!

That is a sample of the monetary education that the people of the country have had flaunted before them during the past 10, 12, or 15 years. It is no wonder that the country is befuddled. It is no wonder that upon this floor, when one starts to speak upon the money question, we have perhaps a dozen Senators present, and most of them holding private conversations and conferences and conventions.

Mr. President, on the next page of this authority—and I take it to be authority, because it comes from one of the agents of the administration still in power—we have a report of the division of the money that is now in the banks. The banks had only \$791,000,000. That is less than \$1,000,000,000. While all the banks together to-night have 40 billions on deposit, such deposits are only credit money. To-night they will have less than \$800,000,000—less than \$1,000,000,000—of real gold and real silver and real paper money in their vaults when the books are balanced.

According to this publication, on the 30th day of June last these banks all together had in their vaults, and on their books, the sum of \$45,390,269,000 in deposits. That is the total amount of credit money that they had on their books. That is deposit money. That is credit—credit based upon two notes, two debts: First, the debts that the people incurred when they went to the bank to create this deposit money. It used to be easy and simple to create credit or deposit money.

A merchant or farmer went to a bank to borrow money. In former times the banks would loan money. They would hand out a note for \$1,000 for example for the farmer or merchant to sign. The farmer or merchant signed the \$1,000 note. Then the bank clerk, cashier, teller, president, or whoever it might be, would take the pass book of the depositor and enter therein the date and "\$1,000." So when that simple transaction was completed, the borrower had signed a note for 30, 60, or 90 days, and the bank clerk had placed on the customer's pass book "\$1,000." Then, there was created \$1,000 of deposit money. Under the law, the customer had the right and the privilege of converting his property, his collateral, either with or without mortgage, his good name for prompt payment, into deposit money; and when that was done, this bank had on deposit \$1,000 more money, deposit money, than it had before the transaction was begun.

The Senator from Ohio thinks that is money. He thinks that is cash. He thinks that is gold. He thinks that is silver. He thinks that is currency. It is not either. It is only credit or deposit money based upon the note of the borrower; but when the note was signed and accepted, the deposit was made and entered upon the pass book, and the

bank had \$1,000 more on deposit than before the transaction was completed.

When such a transaction has been completed, there are two debts; first, the debt the farmer or the merchant owes the bank; and, second, the debt the bank owes the farmer or merchant, because at will the farmer or merchant can write his check on all or any part of the thousand dollars. Under the law of averages, like the laws which control life insurance, only a certain percentage of the public, with a certain amount of deposits, will want currency. They write checks; they do not want gold. If they have a deposit in a bank, they do not want silver, and perhaps not currency. They want the opportunity of writing checks against their credit or deposit money. But if such a depositor wants the actual money, it is there for him. They could not all get their money in cash, in gold or silver or paper. The law of averages are such that only a few require it. That is the reason why the law requires the banks to carry in their vaults only a small percentage of their actual deposits in cash.

Mr. President, on the first of last July the banks had \$45,000,000,000 on deposit. But they have not that much to-day. In the past few months, since last July, the deposits have been gradually going down and down and down; and while I do not have authentic figures, I venture the suggestion that these banks to-night, when they close their doors for balancing, will not have on their books more than some \$40,000,000,000 of deposit money. They have been losing at the rate of \$5,000,000,000 a year in the last three years. The deposits were \$60,000,000,000. They are down in three years to \$45,000,000,000. I contend and assert that the withdrawal of this deposit money in the last 12 months would be approximately the same, so that to-night, instead of these banks having on deposit what they had last June, they have lost \$5,000,000,000 more of the deposit money; it is gone; and to-night when the banks close they will have around \$40,000,000,000 of deposit money on their books and less than \$800,000,000 of real gold or silver in their vaults.

How is that deposit money divided? I am still reading from the report. On the 30th of June last there were demand deposits of \$14,327,000,000 and there were time deposits in the sum of \$24,774,000,000.

Mr. President, these time deposits are not subject to check. The money can be withdrawn upon notice, but of the \$45,000,000,000 in the banks last June there were \$24,774,000,000 under time-deposit certificates. Of the \$45,000,000,000 of deposit money in all the banks of the Nation on the 1st of July, \$24,000,000,000 of it was tied up in time deposits, not subject to check, no doubt most of it on interest. It is in the bank for a certain specified time, and of the \$45,000,000,000, \$16,000,000,000 was on demand deposit, subject to check, to be used at any time.

Mr. President, I place these figures in the RECORD in answer to the statement made yesterday that just the savings banks had \$24,000,000,000 in cash in their vaults.

Again, let me call attention to another statement made by the distinguished Senator from Ohio. I quote from page 4583:

First, Mr. President, there is enough gold.

In the opinion of the distinguished Senator from Ohio, the country has plenty of gold, and we do not need more gold. I would like to ask him who has plenty of gold? I would like to have him name one person who has plenty of gold. The banks do not have plenty of gold. At least 12,000 of them have been forced to suspend because they did not have plenty of gold, did not have any gold or silver or paper, and had run out of currency entirely. Twelve thousand banks have been forced to suspend in the past few years. But the Senator from Ohio says there is enough gold. Second, he says there is enough currency; and, third, he says there are the reserves of the Federal reserve banks in abundance.

If there is plenty of gold and plenty of currency and plenty of silver and plenty of Federal reserve bank reserves, there should not be any trouble about having plenty of money. But who can get the money? The unemployed

can not get it, the farmers can not get it, and the merchants can not get it. These banks which have been forced to fail could not get the money. Who has this plentiful supply of gold? Who has this surplus of currency?

Mr. President, what is the trouble? If there is plenty of gold, if there is plenty of silver, if there is plenty of currency, and if there is plenty of credit, what is the trouble? Nobody has any confidence. There is a minus quantity of confidence in the country, but if we just had confidence the dawn of a new day would come immediately, so says the Senator from Ohio.

Mr. President, how are we to get that confidence? The Senator from Ohio says that if we will just balance the Budget, confidence will come from somewhere and will shine upon us. All we have to do is to get confidence; that is the thing we need. We have plenty of gold, plenty of currency, plenty of bank reserves, and plenty of credit, and if we can just balance the Budget that will give us confidence, and then if we have confidence the economic world will be saved.

How does the Senator propose to balance the Budget? He has no proposition. He made this statement, which appears on page 4583 of the RECORD—

But I must resist with all the energy I possess all these threatening proposals looking to undermining sound principles of government.

Are our sound principles of government now to be undermined? Who is responsible for these sound principles of government which we have had for at least the past 12 years? The distinguished Senator, a leader of his party, the nominator of Presidents, the maker of Presidents, the presiding officer of great conventions which have named Presidents, the chairman of the great committee which wielded such power over the affairs and destinies of this Nation. He says that if we can maintain our sound principles of government, can acquire confidence, and a balanced Budget, the Nation can be saved.

Mr. President, he resolves his speech into advice to the incoming President, and says that if the incoming President will take that advice perhaps that will bring back confidence. That advice is, Do not tamper with our existing sound money.

Mr. President, if we are to keep the existing so-called sound dollar, we are to keep a dollar that buys 200 cents worth of the farmers' products. Can the farmers live under such a program? It is utterly impossible. Because they have to-day to get a 200-cent dollar to pay their taxes, because they have to get a 200-cent dollar to pay their interest, because they have to get a 200-cent dollar to pay a dollar of debts farmers can not raise enough money through the sale of their products to get these high-priced dollars to pay their taxes, and as the result their taxes are not being paid. They can not pay their interest, and interest is not being paid. They can not pay their debts, and debts are not being paid, and because interest is not being paid, there are foreclosures everywhere throughout the land.

Mr. WHEELER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. The Senator from Ohio on yesterday stated that if the incoming President would issue a statement to the effect that there would be no tampering with our money, that would do more to help business than anything else. I want to ask the Senator if it is not a fact, notwithstanding the fact that President Hoover stated repeatedly that we were going to remain on the gold standard and that there would be no tampering, that business has constantly during his entire term of office gotten worse and worse?

Mr. THOMAS of Oklahoma. Mr. President, the present President delivered his farewell in New York a few nights ago, and I quote from one paragraph of that to-be-historic address. He said:

An organization that can show more than 15,000,000 adherents after 70 years—an irreducible minimum in the reaction from the

worst depression the world has ever seen—is indeed testimony to the virility of the principles which Lincoln enunciated.

In that statement the President admitted that under his four years of administration, under the four years of his predecessor, and under the four years of the administration before that, 12 years of Republican administration, under the guidance of the distinguished Senator from Ohio, we to-day have the worst depression in history.

Then he said further on in that to-be-historic address:

We find some 44 countries definitely off the gold standard.

Further he said:

The United States has held stanchly to the gold standard.

And again:

We have thereby maintained one Gibraltar of stability in the world and contributed to check the movement to chaos.

Mr. President, it is possible to get nearer chaos than we are to-day, and if we follow the program that has been followed for the past 12 years, and if the next administration takes the advice of the distinguished Senator from Ohio, that chaos is as sure to come as time.

We can not exist under this formula of government. We can not exist under sound money as defined by the Senator from Ohio. A great party of the Nation, following those principles, has passed away. Let me say that if the administration coming into power in a few days chooses to follow the program and the policies and the principles of the past administration, we will just as surely come to the same inglorious end to which the other great party and the other great administration came. If we do not change the existing policies, there will be no hope for the people, no hope for the wage earners, no hope for farmers, no hope for merchants, no hope for factories, no hope for cities, no hope for States, no hope for this great Government of the United States founded by Washington, whose birthday we celebrate to-day by reading his farewell address delivered 137 years ago.

Mr. President, if the party coming into power chooses to follow the leadership emanating from the bankers of New York, our doom is sealed.

The power of that spider pictured yonder on the Senate wall still rules. The only change has been that the solicitors for that spider have been changed.

Now let me call attention to some quotations taken from a magazine published in Wall Street. When a magazine of Wall Street makes an admission, I take it that at least it will bear the scrutiny and the consideration of the Senate of the United States, because some of us get most of our inspiration from Wall Street. Any time Wall Street wants a bill passed, they send a suggestion down to Washington, and we are kept here sometimes until midnight to pass the bill. If Wall Street is opposed to legislation pending in the Congress, it can not be gotten out of a committee, and it can not be gotten before the Senate for consideration, and it has no chance of passage.

Mr. President, I am going to call some witnesses to testify in opposition to the case made yesterday by the distinguished Senator from Ohio [Mr. Fess]. I call first the magazine of Wall Street. On page 464 I find the following language:

Being denied access to regular money as a medium of exchange, they have created their own. Yet they—

Meaning the people of the United States.

Yet they had far greater buying power and social efficiency before they were cast out because society couldn't keep its economic machine going full time, although they were competent to pay their own way and more. If a foreign power should undertake to annex a territory inhabited by one-fifth of our people and cut us from all commercial relations with it, we would fight as we have never fought before. But for the time being we face substantially the same condition except that we are spending hundreds of millions of dollars to support the economic expatriates. It doesn't make sense.

I commend that to the attention of the distinguished Senator from Ohio. Plenty of gold, plenty of currency, plenty of credit, but because we have so much gold and currency and credit the people are forced to go to the printing presses and have slips of paper printed, to go to the

woodpile and get pieces of wood and have shavings therefrom printed stipulating that one represents a dime and another one represents 25 cents.

Let me next call as a witness a distinguished former citizen of my State, now a resident of California, Will Rogers. On February 16, only a few days ago, Will Rogers said:

This depression must have finally hit the Senate. The Senators are investigating it. If they want to know what is holding back relief measures, all they have to do is look in the mirror.

[Laughter.]

Mr. President, let me next call attention to a few paragraphs from an address delivered at Miami, Fla., just a few nights ago. This address is destined to be likewise an historic address. It was delivered by the chairman of the National Democratic Party, Mr. James A. Farley. In that Miami address, delivered I think on Saturday night, February 11, Mr. Farley said:

I know that our people to-day are in no mood for delay. They feel that a liberal government is the crying need of the present. We must not deny them this liberal government.

In our realization of the failure of conservatism, we should speedily liberalize our institutions and do everything in our power within the restrictions of constitutional safeguards to make it easier for people to live from their own resources.

If Mr. Farley's advice is to have any weight in the policy-making branch of the Nation, instead of following the policies in force for the past 4 or 8 or 12 years, there will be a change. Instead of making a dollar worth 200 cents in 1933, which was worth only 50 cents in 1922, a liberal policy would be to take the advance of the buying power of the dollar and instead of leaving it at 200 cents in value of corn, wheat, and livestock, the buying power of that dollar will be brought down to at least 100 cents, where it was in 1926. At that time the dollar had a sufficient buying power to buy wheat on the basis of \$1.50 a bushel, cotton at the rate of 20 cents a pound, corn at 75 or 80 cents a bushel, and livestock in proportion. That is all I am asking. I am simply pleading for a governmental policy that will check the rise of the American dollar—not only check it, but bring it back down where the people of the Nation can have a chance to see some of those dollars occasionally. I commend the Miami address of Mr. Farley to those on my side of the aisle in the Senate of the United States.

Mr. President, I said a moment ago that when the administration changes, we see a change in the solicitors coming down from New York, and sometimes that is the only change we see. Let me read from a statement made by one of those new solicitors from Wall Street:

Wholesale prices are reaching what appears to be a normal level.

That is the language of the new solicitor. Wholesale prices are getting down to about where the normal level should be. He does not mention farm commodities, but if wholesale prices are coming down to where they should be, no doubt farm products are getting down where they should be—corn selling at 12 cents a bushel, oats selling in the far West for 7 cents a bushel, cotton selling for 5 cents a pound, hogs at 2½ cents a pound, beef cattle at 2.75 cents per pound, and wheat for 25 cents a bushel. When those prices go lower we will be down to a proper level—so says by inference the new solicitor from Wall Street.

I want to refer to one other statement of this article found in the New York Times of last Sunday. This argument is against inflation of money. It is against the inflation of money, because if money is placed in circulation it becomes more plentiful, and to the extent that it becomes more plentiful to that extent it becomes cheaper, and as it becomes cheaper commodities become cheaper; and the argument would follow, of necessity, that if enough money shall be placed in circulation to make money come down in value commodities will go up. This new Wall Street solicitor says:

It would do as it did in Germany when it took a valise full of paper marks to buy a sack of flour.

Mr. President, I was not in Germany at that time. It may have taken a valise full of paper money to buy a sack

of flour, but what is the difference between taking a valise full of paper marks to buy a sack of flour and taking a truck load of wheat to buy a dollar? I am not advocating the German system of inflation. There is no occasion for that. Other countries are not going to the German system of inflation. Italy did not go that route, although Italy did revalue her lira and reduced its buying power from 19.3 to 5.5 cents. France did not go that route, although France did reduce the buying power of the French franc from 19.3 to 3.91. Great Britain is not going that route. Great Britain has gone from the gold standard. A paper pound based upon gold was worth \$4.85. Great Britain went off the gold standard and immediately the paper pound fell to \$3.17. It is now being stabilized, with little gold back of it, around \$3.40. If Great Britain and the British financiers are able to stabilize the buying power of the pound off the gold standard, then we here in America ought to be able to stabilize the buying power of the dollar on the gold standard.

Mr. President, I have been doing the best I could for a year, arguing and pleading for more money to be placed in circulation. I could not get any response here. Perhaps I should not have expected such response. It took me a long time to find it out. Senators will not even listen. But after a year's time we are getting results. Even in the State of Ohio the demands from the constituency of the distinguished Senator who spoke on yesterday are so many in number and they are writing him so many letters that he can not answer them, and so he had to make a two and a half hour speech in the Senate yesterday to answer the thousands of demands being received from his constituency for more money to be placed in circulation.

Mr. President, I am going to demonstrate from the record that the demand for more money is resulting in having more money, and having more money is resulting in a check of deflation and even an increase in commodity prices. Here are the facts. For the week ending January 19 the Federal reserve system placed in circulation the sum of \$13,000,000 of new money. Circulation was increased in those seven days by the sum of \$13,000,000. During the week ending January 25, the following week, the Federal reserve system placed in circulation \$9,000,000 of new money. In the week ending on the 2d day of February the Federal reserve system placed in circulation \$41,000,000 of new money. In the week ending on February 9—this is all recent, just a few days ago—the Federal reserve system placed in circulation the sum of \$53,000,000 of new money. Last week, during the seven days prior to February 16, the Federal reserve system placed in circulation the sum of \$149,000,000 of new money. There are five weeks, and in those five weeks the Federal reserve system placed in circulation an additional sum of \$265,000,000 of new money. In other words, in those five weeks the circulation was increased by over a quarter of a billion dollars.

Has that done any good? Let me give the record. I have here a news story under a headline, as follows:

Circulation highest in history.

It then proceeds to give substantially the facts I have just asserted. Then I have a second news story, of date February 18, a New York Times dispatch. I find the story under the following heading:

Price recession halts.

Immediately that money is going into circulation, making money more plentiful, making it cheaper, the downward trend of prices is being halted.

Price recession halts.

The next heading:

Commodities hold steady for first time since December.

Then in the body of the news story I find this language:

Money in circulation again increases.

Then down a little farther:

The extended decline in wholesale prices was halted for the first time since early December.

Mr. President, I have been contending upon the floor of the Senate for two years for more money to be placed in circulation, and now when the circulation starts up the papers of the country are forced to carry legitimate evidence of increased prices and halt in the decline. I call attention now to another page of the New York Times of February 19. I will merely read the headlines of the first column:

Some trade lines gain moderately.

Steel industry improves and wholesalers report larger volume of business. Apparel sales advance.

I find another headline as follows:

Cotton up again as supplies drop. Gains are 3 to 6 points.

Another headline reads:

Freight loadings rise 3.8 per cent in week.

Mr. President, if placing that small additional amount of money in circulation has made money more plentiful, has made it cheaper, and it has had the result that we notice from a paper of last week, why should not the policy be continued? It will take a lot of money right now to raise prices as they should be raised. A quarter of a billion dollars will not do it. It may take a half a billion dollars; it may take three-quarters of a billion dollars; it may take a billion of dollars; it may take two billion dollars; but we have the money in the Treasury by the billions, being aged, seasoned, and made ready for circulation.

Then, Mr. President, we have heard a lot about setting the printing presses to work to print money. Let me read from a news story appearing in a newspaper during the past two or three days. Here is something that will shock the sensibilities of the distinguished Senator from Pennsylvania [Mr. REED], and which, no doubt, will shock the sensibilities of the distinguished senior Senator from Ohio [Mr. FESS], who now presides over this body. We have heard it stated that if inflation comes the printing presses will have to be worked overtime; that they will have to be worked day and night in order to take care of the situation. Mr. President, during the past two years the printing presses have been working overtime, not in printing money but in printing bonds—\$5,000,000,000 of them—which are drawing interest which the people must pay. What is the difference between working the printing presses to print bonds and working them to print money? But that is not all. Listen:

Engravers toil on rush order for bank notes—

I am reading from a news story—

Urgent demands from the Federal Reserve Board for bank notes of 10 and 20 dollars' denominations yesterday kept presses at the Bureau of Engraving and Printing working overtime.

Day and night shifts were ordered put to work by Director Alvin Hall, and 225 employees who ordinarily would be off to-day were instructed to be on hand.

Mr. Hall said it would probably be a week before all the currency ordered by the reserve board is printed.

The Federal Reserve Board refused to disclose why the currency was needed so hastily. It was reported the bank notes are being rushed to meet the banking crisis in one of the States.

The printing presses are running. They have been running for two years and they are running now night and day, but, Mr. President, if by running the printing presses money can be placed in circulation and commodity prices can be raised, I shall not object. The price of wheat is 25 cents a bushel; the farmers can not live and sell wheat at 25 cents a bushel; the price of corn is 12 cents a bushel, and the farmers can not live raising corn at 12 cents a bushel; oats are 7 cents a bushel, and the farmers can not live raising oats at 7 cents a bushel. These prices must be raised. Cotton must be raised above 5 cents a pound, hogs must be raised above 2½ cents a pound, and cattle must be raised above 3 cents a pound, or the farmers can not live. If running the printing presses for a little while will give us more money in circulation, and if more money in circulation will raise the price of corn and raise the price of cotton and raise the price of hogs and raise the price of cattle, then, Mr. President, I hope the printing presses will be continued in operation until these prices are sufficiently high to enable

the people of the Nation at least to live. Yet on yesterday for two and a half hours the distinguished Senator from Ohio, who is now presiding over the Senate, argued against increased prices, if I interpret his argument correctly. He said in his speech, "If you raise prices that will cause the wage earner, the salaried man, to pay more for the things he eats and more for the things he wears." That is the issue, Mr. President. That spider yonder [indicating chart on the wall], representing Wall Street, wants cotton cheaper; that spider wants corn cheaper; that spider wants meat cheaper; hogs and cattle cheaper. So say the solicitors from that section of the United States.

It is significant in support of the argument I have just made, that by reason of placing more money in circulation, a quarter of a billion dollars of it, during the past five weeks the decline has been halted and prices are now going up.

I exhibit here now a chart from the New York Times. This chart was published on Sunday, February 19, which is only a few days ago. It is headed:

Weekly business index shows slight upturn.

There is the answer to what I have been arguing for for two years, Mr. President. Car loadings increased; the decline of wholesale prices checked. I hope the prices of farm commodities are now going up somewhat; but here is the proof of the principles and the theories to which I have been trying for two years to have the leaders of both sides of this body and some in places outside the Senate Chamber listen.

Mr. LONG. Mr. President—

Mr. THOMAS of Oklahoma. I yield to the Senator from Louisiana.

Mr. LONG. The slight betterment to which the Senator referred took place after an inflation of about \$250,000,000 in the currency, which was put out from the Federal Reserve banks; money that they had called in.

Mr. THOMAS of Oklahoma. It is money placed in circulation by the Federal reserve banks during the past five weeks. In other words, the circulation has been increased during the past five weeks by the total sum of \$265,000,000.

Mr. LONG. I want to suggest that the Senator from Oklahoma, the Senator from Montana, and the Senator from Texas had to speak here for nearly three weeks in order to get \$250,000,000 of inflation. If the Senator will continue his remarks for about nine more weeks we might get more real results along this line.

Mr. THOMAS of Oklahoma. Mr. President, on the 4th of March, if I am here, I will have a new commission in this body, and that commission will last for six years. I am convinced that economically there is no chance for the wage earners to live, economically there is no chance for the farmers to live, economically there is no chance for the merchant to live; there is no chance for the cities to live and for the counties to live and for the States to live and the Government to live unless the buying power of the dollar shall be brought down to a reasonable figure so that the commodities, the products of the people of the country, when they are sold may bring sufficient money to cover not only the cost of production but, in addition, a reasonable profit.

Mr. President, the Committee on Finance have been holding some hearings. Those hearings should have started 40 months ago, but they started about two weeks ago. Those hearings are for the purpose of having experts so named, so designated, to come before the committee and advise the committee what should be done, if anything, to lift us out of this terrific depression. A former mayor of New York, Mr. John F. Hylan, testified before that committee; I do not happen to know the gentleman except by reputation; I do not know whether he is a "hard money" Democrat or a "soft money" Democrat; I do not know his standing in New York; but the committee thought enough of his reputation, standing, and judgment to invite him to appear before the great Finance Committee. Mr. Hylan came and testified. I have a news story purporting to give a synopsis of what he said. I read:

John F. Hylan, former Democratic mayor of New York City, preceded Duffield on the stand and charged a "conspiracy" exists among the "big bankers" to dominate industry throughout the world.

Hylan declared that "not satisfied with control of the monetary metal, gold, the big bankers have set out to secure control of the production and distribution of the necessities of life."

The Federal reserve system has been perverted into a tool through which the credit and currency of America are ruthlessly exploited by a powerful banking group, the witness declared. He continued:

"The system is being manipulated so as to give us a financial government of the banks, by the banks, and for the banks."

"In enforcing their international equilibrium policy by the forcible reduction of the prices of commodities, the international bankers and their allies are reducing the wages of American workmen to the level of the pauper labor of Europe."

"The distribution of doles seems to be a part of the scheme to keep the people quiet while the surgeon is performing the operation."

Hylan asserted that the bankers deliberately fanned the flames of the gigantic stock market boom prior to October, 1929, in order to "unload upon the people stocks and bonds at highly inflated prices." He added:

"The bankers got real money for this paper."

Hylan accused the Federal Reserve Board and its member banks of direct complicity in a scheme by international bankers to corner the world's gold supply. He demanded:

"Who can deny that the Federal reserve administration, in co-operation with the central bankers of Europe, was utilized to secure control of gold to regulate circulation of all kinds of money, currency, and credit in this country and abroad?"

"Who will contend that the system has been administered in the interest of legitimate business and industry?"

CALLED "GREATEST SHAM"

Hylan asserted that the plan to induce foreign governments to adopt the gold standard, "successfully operated all over the world," was "the greatest sham of the ages."

Mr. President, I desire to place in the RECORD some further statistics, but before doing so I want to quote a statement purported to have emanated from a former distinguished President of the United States, James A. Garfield. He is alleged at one time to have said:

Whoever controls the volume of money of any country is absolute master of all industry and commerce.

Mr. President, I call attention again to that chart hanging on the wall [indicating]. That spider, if it controls those various organizations named on the chart, is able to control the policies of those hundreds of institutions located throughout the length and breadth not only of this land but of the world. There are three banks in New York City, Mr. President, which are called "the Big Three." I have here an Associated Press dispatch which so designates them:

Big three New York banks close year with \$5,000,000,000.

So says the press dispatch. I will place the entire dispatch in the RECORD at this point, if I may have permission to do so.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The matter referred to is as follows:

BIG THREE NEW YORK BANKS CLOSE YEAR WITH FIVE BILLIONS

NEW YORK, January 7.—With combined resources of nearly \$5,000,000,000, the big three New York banks wound up 1932 in unusually liquid condition.

Their year-end statements, considered fairly typical of the larger banks, show gains in deposits over the preceding quarter, increased holdings of Government securities and cash, and virtually no change in capital, surplus, and undivided profits accounts.

Chase National continued to hold the ranking of world's largest bank. It had resources of \$1,856,290,000. National City, with \$1,615,260,000, was second. Guaranty Trust Co., a State-chartered institution, held third ranking in size, with resources of \$1,410,786,000.

Deposits stood as follows: Chase, \$1,466,038,000; National City, \$1,299,377,000; and Guaranty, \$1,018,967,000.

In combined capital, surplus, and undivided profits, Guaranty Trust led the group with \$271,233,000. Chase had \$259,130,000 and National City \$205,454,000.

Government security holdings of Guaranty were almost equal to those of Chase and City combined. Guaranty had \$527,071,000 of United States paper, against \$364,536,000 for City and \$214,996,000 for Chase.

Chase had \$391,297,000 cash on hand, against \$300,619,000 for City and \$197,891,000 for Guaranty.

The loan accounts showed that nearly \$2,000,000,000 of their total resources of about \$5,000,000,000 were outstanding in the form of loans.

Of Chase's \$1,856,290,000 resources, \$887,187,000, or 48 per cent, were in loans. Of National City's \$1,615,260,000 resources, \$619,791,000, or 38 per cent, were in loans.

Mr. THOMAS of Oklahoma. Mr. President, I desire to call attention to some of the figures presented by this dispatch. It is shown that the total resources of these three banks, the Chase National Bank being the largest, the National City Bank being the second, and the Guaranty Trust Co. being the third, are \$4,882,136,000.

That is the amount, Mr. President, of the resources as measured in dollars, but each one of those dollars has the buying power of 200 cents. So for every dollar of the resources of these three banks there are \$2 in buying power. So in order to get the power of these three banks, multiply the \$4,882,136,000 by 2 and we get the enormous sum representing the buying power of the three banks in New York City approximating \$10,000,000,000.

Then, Mr. President, this dispatch further gives the information that these three banks own together the sum of \$1,106,603,000 of Government bonds. Each dollar represented by those bonds has a buying power in the sum of \$2. So if they own \$1,106,603,000 of Governments bonds, they have a buying power through those bonds of double that sum, or two and one-fourth billion dollars.

Mr. President, if the dollar were cheapened it would take away from these three banks some of their buying power. If the dollar could be reduced from 200 cents down to 100 cents, there would be taken from these three banks alone \$5,000,000,000 worth of buying power. If we reduce the buying power of the dollar from 200 cents to 100 cents, we take from these billion bonds that these three banks hold the sum of \$1,106,000,000 of buying power. No wonder these banks do not want the dollar decreased in buying power, but want it increased!

Instead of placing money in circulation, these banks want money taken out of circulation. They want to make money scarce, to make money dear, to make its buying power high, so that their resources of \$5,000,000,000, instead of buying \$5,000,000,000 worth of commodities on their equitable value, will buy \$10,000,000,000 of value, will buy \$15,000,000,000 of value. They would even double it again and make it buy \$20,000,000,000 of value.

I am trying to show you, if I may, the reason why these big banks located in New York City are opposing the cheapening of the dollar. When it is cheapened it takes buying power from their hands, and that is the reason they oppose the cheapening of the dollar.

Mr. President, we hear it said frequently upon this floor that if we should be forced off the gold standard we would have an uncontrolled currency. That did not happen in Great Britain. A year or two ago Great Britain went off the gold standard. When Great Britain went off the gold standard they could only manage the buying power by placing money in circulation, and, when money became too plentiful, withdrawing money from circulation. That is a simple process. We can do it here. We are doing it every day. During the last five weeks we placed a quarter of a billion dollars in circulation, and we can take it out in the next five weeks.

Some one might say, "How can money be taken from circulation?" Here is a simple process.

The Federal reserve banks, under the supervision of the Federal Reserve Board, now hold in their vaults something like \$1,800,000,000 worth of United States bonds. All they have to do to take money from circulation is to sell a billion dollars of bonds, or \$1,500,000,000 of bonds, whatever they want to, collect the money on the sale, and take it out of circulation. It is just like a sponge. The board has the power to put money in circulation, as it did during the last five weeks. It has the power to take money out of circulation as readily and as quickly as it had the right and power to put it in circulation, by selling bonds and requiring the buyers of bonds to pay, not in credit or checks but in currency—gold, silver, and paper.

Mr. President, at this point I desire to place in the RECORD one paragraph from an article appearing in one of the great publications of the country of recent date. It is an article signed by John Maynard Keynes. This Mr. Keynes is a famous British economist and financial authority. He is writing from London. He says:

The countries which are off gold have had more stable prices; their exchanges have settled down at a figure at which their export industries can live in relation to world competition; and their central banks, freed from the task of having to protect their gold reserves, can, without any anxiety, maintain low rates of interest and abundant credit suited to their domestic needs.

Now, Mr. President, I want to place in the RECORD some of the plans for relief.

The plan of the distinguished Senator from Ohio [Mr. Fess] is to balance the Budget, but he does not tell us how it is going to be done. I desire to place in the RECORD at this time, if I may have permission, a story signed by Ray Tucker, appearing in a local paper of recent date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The article is as follows:

[From the Washington Daily News of Thursday, February 16, 1933]

DEBT SLASH SENTIMENT GAINS GROUND ON HILL—RELIEF OF BURDENED INDIVIDUALS AND CORPORATIONS MAY REPLACE RECONSTRUCTION FINANCE CORPORATION POLICY OF BOLSTERING PRE-SLUMP VALUATIONS

By Ray Tucker

Sentiment for downward revision of corporate and individual indebtedness instead of the Reconstruction Finance Corporation policy of propping up corporations on the basis of predepression values appeared to-day to be gaining headway rapidly in Congress and among leaders of business and industry.

Although the Reconstruction Finance Corporation may be utilized by President Roosevelt as an agency for financing relief and public works, it is believed that means for Federal assistance in a gradual and orderly scaling down of the Nation's burden of indebtedness will be proposed.

This question will be raised in acute form within the next few days in and out of Congress. The Wagner bill for liberalizing Reconstruction Finance Corporation relief and self-liquidating policies will be taken up by the Senate soon.

To-morrow mayors of 100 large cities, headed by Mayor Frank Murphy, of Detroit, will try to obtain Reconstruction Finance Corporation aid in marketing municipal bonds.

HOUSE BILL MEETS PLAN

The idea of cutting the mountain of debt is carried out with respect to railroads and individuals in the LA GUARDIA measure as passed by the House.

The report of the National Transportation Committee declared that railroads are "not entitled to earnings to preserve present structures, if overcapitalized." Bernard M. Baruch, Roosevelt adviser, has proposed a program for cutting down farm mortgages and plans to extend the idea to other forms of inflated indebtedness.

Several leading industrialists and financiers appearing before the Senate Finance Committee have condemned the Reconstruction Finance Corporation policy of trying to preserve "vanished values," as Baruch put it.

WOULD LEAVE WEAK FAIL

Senator GLASS (Democrat, Virginia), who may be the next Secretary of the Treasury, has bitterly condemned the Reconstruction Finance Corporation's use of Federal funds. In his opinion, recovery can be hastened by permitting unstable, unnecessary, and inefficient corporations to fail, thereby reducing the burden of debt piled up on an artificial level in the boom years.

It is his contention that depositors often lose rather than gain from Reconstruction Finance Corporation aid to banks. More than 500 have failed after receiving Federal funds, with most of their assets going to the Government. It is GLASS's contention the depositors would have recovered more money had the banks been permitted to go under in the first instance.

Even Senator REED (Republican, Pennsylvania), who led the fight for passage of Reconstruction Finance Corporation legislation, now says his vote was a "mistake." He thinks the effort to save many corporations and institutions by pouring good money after bad has "postponed recovery."

Mr. THOMAS of Oklahoma. I shall not take the time to read this article, but it presumes to quote the distinguished junior Senator from Virginia [Mr. GLASS] and likewise the distinguished senior Senator from Pennsylvania [Mr. REED]. They both apparently have come to the conclusion that the way to get us out of this difficulty is not to balance the Budget but to let all the weak banks fail, to get them out of the way; to let all the weak corporations fail, to get them out of the way; to quit making loans to them, and the sooner they are in bankruptcy and out of the way the better it will be for the Nation to get these weak institutions, corporations, and individuals out of the way. Let the men now employed by them, who then will be unemployed, starve to death. Then we can start at the bottom and build up again.

Now I am going to quote very briefly from letters received from eminent economists, taken from all parts of the United States.

The distinguished Senator from Ohio is against raising prices. He says we can not raise prices by putting money in circulation; that that drives prices down; and his argument is, according to my interpretation of it, that we should not raise prices. That is the New York idea—that we should not raise prices; they are about down to where they ought to be.

These economists do not take that view of the situation.

I quote first from Mr. F. A. Pearson, of Cornell University. I read simply one or two lines from his letter, as follows:

I think that most of our troubles would be eliminated if we could restore prices to the 1926 level and maintain that level.

I quote next from Mr. G. F. Warren, an eminent economist of Cornell University. I read one paragraph from his letter:

There is just about enough gold in the world to support pre-war prices if gold were used with pre-war efficiency. Such efficiency is, however, not to be expected for some years. Our debt, tax, and business structure became fairly well adjusted to the price level 40-50 per cent above pre-war. We are now confronted with the necessity of either lowering of this whole structure or making a definite monetary change which will raise prices. There is considerable question as to whether we can, even if we wish, succeed in completing the deflation process. The Nation has never before attempted any such violent decapitalization. In the panic of 1873 commodity prices fell 18 per cent in three years. This time they fell 30 per cent in three years. The decapitalization in 1873 was bad enough. This must, of course, be far worse.

The next economist comes from the University of Minnesota. I read from a letter just received from Alvin H. Hansen, professor of economics. I will read just one or two lines from his letter:

I should favor a rise of prices of about 20 per cent—

Says Mr. Hansen.

I next call attention to a letter received from Mr. John Ise, department of economics, University of Kansas. These letters are all of recent date. Mr. Ise says:

I have been a deflationist since this depression struck, and it seems to me that your scheme would help bring back prosperity. I am not certain that there is any hope of getting out of it on the present price level. I am not certain that our capitalist system can stand many years of this situation, and I am fairly certain that, if prices do not rise, we will have an indefinite period of stagnation. In other words, it seems to me that a scheme such as you outline is about our only hope.

With this should be combined a drastic income tax, to secure greater equalization of wealth, a comprehensive scheme of public improvements to get the money out into the hands of those who need goods, and a drastic reduction of the tariff, to start foreign trade once more. Such a general policy would get us out in a short time, I believe.

I call attention next to a letter signed by John B. Canning, professor of economics, Stanford University. I will read just one sentence:

I concur in your belief that a moderate degree of inflation of the price level should be brought about as part of any program that looks to immediate beginning of recovery.

I next call attention to an article prepared by Paul H. Douglas, of the department of economics of the University of Chicago. Mr. Douglas has prepared an article that is published in the *World Tomorrow* of date February 8, 1933. Mr. Douglas writes as follows:

There is to-day a rapidly growing body of opinion that the amount of monetary purchasing power should be increased and prices raised.

Mr. President, these economists do not agree with the distinguished Senator from Ohio [Mr. Fess]. He says prices should not be raised, and that even putting money in circulation would not raise prices; that putting money in circulation would drive prices down. If that should be the case, that spider in Wall Street would be favorable to putting more money in circulation, to make prices go still farther and farther down.

Again, says Mr. Douglas:

During the depression there has been a cumulative and vicious spiral of declining prices, production, employment, and monetary

purchasing power, with the result that the depression has fed upon itself and steadily deepened.

There was quite an argument yesterday as to what "purchasing power" meant. The Senator from Ohio said money is not purchasing power; gold is not purchasing power; silver is not purchasing power; currency is not purchasing power. Mr. President, wheat is not purchasing power; cotton is not purchasing power under present prices; livestock is not purchasing power under present prices; labor is not purchasing power under present conditions. What is purchasing power to-day? Virtually nothing.

Mr. President, I was not satisfied with the definition given by the distinguished Senator from Ohio yesterday as to what purchasing power is. It is not money. It is not commodities. Then what is purchasing power? Mr. President, let me suggest a definition. It is the ability to get money that is purchasing power.

If a man has the ability to get money, that man has ability to acquire and secure purchasing power. If a laborer has ability to get a job, he has purchasing power. If a farmer has ability to raise produce and sell the produce for money, he has the ability and the opportunity to get purchasing power. So, purchasing power, if it is not money, if it is not wheat, corn, cotton, or livestock, is the ability and the opportunity to get money, to get wheat, to get corn, and to get cotton.

Again, says Mr. Douglas:

The banks, moreover, showed an unwillingness to lend, since they were afraid that they would not be repaid for their loans. The combined result has been stalemate, but the followers of the conservative tradition still insist that attempts at credit inflation are the only legitimate means which can be employed, and that any attempts at directly increasing the supply of currency itself are nefarious. The Government, according to these interests, should not intervene directly to break the industrial deadlock, and recovery should take place only within the present structure of business and banking. But they do not tell us how they are going to force the banks to make the added loans to business.

And that is a pertinent point. Banks can not loan money now. There is nothing to loan on. They can not loan on farms. They do not dare to do it. They can not loan on livestock in any appreciable quantities. They do not dare to make such loans. There is nothing that the banks can make loans upon to-day, on which they are assured of getting their profit in the form of interest and a return of the principal; and for the reason that there is nothing prosperous, nothing upon which to make loans, banks are not making loans. I am not a banker, yet I am not criticising the banks for not taking undue chances with the money of their depositors.

The closing paragraph of Doctor Douglas's article on the subject *Should We Reflate?* is as follows:

It will be seen from the above analysis that the real issue turns on whether the country has the intelligence to manage its currency and credit system for the purpose of stabilizing prices and preventing or lessening depressions. If the skeptics are right, then we are doomed to be the football of deflationists and inflationists, and our prices will move up and down in roller-coaster fashion. If they are not, it may be possible to reflate and then stabilize.

Mr. President, a few days ago I took the liberty of preparing a letter and sending copies of it to the presidents and managing heads of what I conceive to be the five great banks of the Nation. In addition to sending a copy of this letter to the head of each of these banks, I sent a copy to their economic advisers. The economic adviser to the head of a bank is the economic attorney for the head of the bank. In other words, the bank official, the head of the bank, is an executive official. When it comes to knowing whether a policy proposed or suggested will result well or badly, they call in their economic doctor, and he prescribes and tells them whether or not they should do this or do that. The economic adviser is the power in these big banks that directs them in their operations, and these big banks have the best men that they can hire. They have practically all the money there is. Money is no object. Men who have ability want to work, and want to get good salaries. So in these big banks in New York there have been the best financial brains the Nation produces, or the world produces, because

some of them, while they may have been naturalized, were not born in this country. So that these big banks have the best financial brains money can hire. They have the best.

I sent copies of this letter to these big bankers and their economic advisers. I will not ask that the letter be read, but I will ask permission to insert a copy of the letter in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
COMMITTEE ON APPROPRIATIONS,  
February 15, 1933.

To: Mr. George Harrison, governor New York Federal Reserve Bank; Dr. W. R. Burgess, deputy governor and chief economic adviser, New York Federal Reserve Bank; Mr. Winthrop W. Aldrich, directing head, Chase National Bank; Dr. B. Anderson, jr., chief economic adviser, Chase National Bank; Mr. William C. Patten, directing head, Guaranty Trust Co.; Dr. Henry Chandler, chief economic adviser, Guaranty Trust Co.; Mr. Charles Mitchell, directing head, National City Bank; Mr. George Roberts, chief economic adviser, National City Bank; Mr. J. P. Morgan, directing head, J. P. Morgan & Co.; Mr. Thomas W. Lamont, J. P. Morgan & Co.; Mr. Parker Gilbert, chief economic adviser, J. P. Morgan & Co.; Mr. Jackson Reynolds, president and directing head, First National Bank.

GENTLEMEN: On February 6 I made some remarks to a group of business men assembled at the Waldorf-Astoria Hotel in New York City.

In such address I said that the Congress, under present leadership, was impotent; and, if we should act, the President would no doubt veto our proposals.

At that time I referred to "powerful influences," which shaped, if not controlled, the financial policies at Washington. I mentioned the Federal reserve bank and referred to "the great banks of New York City." I had in mind, among others, the Chase National, the National City, the Guaranty Trust, and J. P. Morgan & Co.; hence, special copies of this statement are going to the directing heads, and their economic advisers, of the institutions mentioned.

What I said was not intended as a criticism of, but rather an appeal to, such "influences" to direct their great abilities and mental resources to the task of helping find a remedy for our growing distress.

It must be apparent that the banks can not survive unless the people, the cities, the counties, the States, and the Government itself survive. Almost every orderly process in the interior of our country has broken down. The program of relief, sponsored by the present administration, has been given a trial and has failed; hence, some other program must be formulated and given the public, if any semblance of peace and order is to be preserved.

Conditions are now too serious to indulge in arguments as to the cause of the distress. Partisanship should not be permitted to confuse the issue. Remedies that are remote in point of time are out of the question. If the banks are to withstand the drain, if the courts are to continue to function and if the people are to endure their distress, some hope must be promised and forthcoming at once. A promising program of relief must come early in the new administration. Such program must give assurance that the deflation will be checked. The people have been patient but my correspondence, heavy and widespread, forces the conviction that all is not well anywhere in our country.

The records show that hoarding has started again.

Wise owners of deposits will not hoard currency. More gold will be demanded than is available; hence, you well know the inevitable results. Forty-three billions of deposits can not be met with the available gold; can not be met with the available stock of money even if all is forced into circulation; and, if a crash should come, collateral and securities of all kinds will further depreciate in value.

You must, I think, concede that it is timely to suggest that conditions demand our most serious consideration.

I am convinced that our troubles are mainly financial, that you, and your associates, control our fiscal policies and legislation, and, knowing of your power, I am appealing to you to divert your abilities to the task of providing a program for the consideration of the Congress.

The policies of deflation are unmistakably responsible for the present high purchasing power of the dollar and such scarce high priced dollars are responsible for the nonpayment of private interest and debts; responsible for the nonpayment of taxes, and the nonpayment of taxes is directly responsible for the nonpayment of public interest and the widespread default in city, county, and State bonds. Further, because the people and the corporations have no incomes, no Federal taxes are assessed against them; hence, the Government is borrowing funds with which to meet the interest on the public debt and general overhead expenses.

Your policies are, in my judgment, contrary to a just public policy; are against the public welfare and, hence, should and must be changed.

Industry, including the banks, can not survive under a continuation of such policies. Already many have had their dose of oxygen from the Reconstruction Finance Corporation. Millions of wage earners, hundreds of thousands of farmers and business

men, and thousands of banks have fallen by the wayside. A general farm revolt has temporarily stopped farm foreclosures. As mentioned above, industry, great and small, now has a brief breathing spell. Advantage should be taken of this truce to find a way to prevent the resumption of a secondary clash.

Industry, including the banks, are to-day on the defensive. Your banks, as an industry, owe your depositors some forty-three billions of dollars, which sum you can not now pay, for the very good reason that the people can not pay you their notes and obligations; hence, your notes will have to be extended. Also, when the farm moratorium expires, creditors will renew their demand for payment and the second battle will be on.

During all this time, one small favored class, with safes and boxes bulging with gold tax-exempt securities, sits back in apparent self-satisfaction that the further the deflation, the scarcer the dollar and the higher its buying power, the richer they become.

The people of the country, save perhaps the stockholders of the larger financial institutions, understand this situation. During the past few years, your policies have deflated all save fixed investments. Such policies are now deflating the weaker fixed investments, and, if not checked, will soon reach savings accounts, bank deposits and your gold tax-exempt city, State, and Government bonds.

Already you have pursued deflation to a point where now it may be a question as to how much you can save of such investments. You can not reasonably expect to deflate and ruin the masses of the people and then hope to remain immune yourself. You can not reasonably expect to complete deflation against the masses and even hope that they will be either unwilling or unable to retaliate, and, if the period, between now and the coming special session of the Congress, does not bring forth a satisfactory program of relief, not only you may, but you will, see a determined effort to bring about the following results:

1. A gigantic program of public works.
2. Payment in cash of the soldiers' bonus.
3. Payment of the Government deficit with Treasury notes instead of through bond financing.
4. Evaluation of the gold dollar.

Such a program, once under way, may go as far on the road towards complete inflation as you are now insisting that we go on the road towards complete deflation.

After months of effort here, we are forced to appeal from an impotent Congress and a short-sighted administration to you, a higher power, to stop forcing the retreat and to at once give the order to advance.

The people will not be satisfied with an alibi. Let me remind you that during the past year every legislative proposal even suggesting possible expansion of the currency, emanating from New York and having the approval of the great news journals, caused an immediate and positive upturn in commodity and stock security prices and consequent renewal of hope and confidence in the minds and hearts of the people, and then, just as soon as wise observers saw that such intimations were false alarms, prices began to sag and hope and confidence began to wane.

If even the suggestions of the expansion of the currency, such as those contained in the Glass-Steagall bill, in the open-market program of the Federal reserve system, and later the Borah amendment to the home-loan bank bill, were sufficient to revive prices and hope, then what might be expected if a sincere, honest, and reasonable program of expansion were announced in New York and Washington?

Would not the following things happen immediately?

- (a) Owners of bank deposits would immediately begin to convert such deposits into commodities, stocks, and property to secure the benefits of the advance in price and value.
- (b) Owners of collateral would begin immediately to negotiate loans in order to be able to take advantage of the rising market.
- (c) Merchants would begin to place orders for goods to stock their empty shelves.
- (d) Wholesalers would place orders for additional stocks of goods to supply increasing demands.
- (e) Manufacturers would take chances on opening their factories, thus making demands for raw materials.
- (f) Such activities would make business for the railroads and, likewise, the banks.
- (g) Labor would be employed and additional demand would arise for the products of the farms; hence, stimulating and raising farm prices.
- (h) Bank deposits would be thawed out and banks would become active.
- (i) Value would be replaced in all kinds of collateral and securities.
- (j) Credit would be in demand and would begin to expand.
- (k) The people could secure money with which to pay taxes, interest, and debts.

Last, but not least, a general revival of business would be reflected immediately in increased orders for advertising space in the newspapers and news journals of the country. Other benefits too numerous to mention would be manifested immediately. The greatest relief, perhaps, would come to the troubled mass mind of America.

What other plan of general relief is possible? As a rule, Congress does nothing more than write into law the crystallized public sentiment and demands of the people. If bankers and bondholders, who control financial sentiment and policies and largely

the press of the country, refuse to assist in working out a co-operative solution for our distress, then the Congress may have no alternative other than the enactment of the policies already widely demanded and mentioned herein.

Respectfully submitted.

ELMER THOMAS,  
United States Senator, Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, in reply to this letter I have received a number of answers, and I am going to ask permission to insert in the RECORD a typical reply, a very intelligent reply. It is the reply to the letter sent by Mr. Mitchell, of the National City Bank. Mr. Mitchell, in a five or six page letter, sets forth his viewpoint as to what should be done. He says that Congress can solve the situation if it will only balance the Budget; that we will immediately be on the high road to prosperity if Congress will only balance the Budget. Then he says that if Congress will keep sound currency for the country we can keep the Budget balanced. Then he says that if Congress will adjust or cancel the war debts owing this country by foreign nations we can restore our foreign trade. Then if we will help the little countries abroad which are now off the gold standard, if we can lend them some of our gold to permit them to get back on the gold standard, we will be back in the height of prosperity. That is the remedy suggested by the big banks of New York to balance the Budget, and that can not be done under a declining price level. How are we going to raise \$5,000,000,000, how are we to raise \$4,500,000,000, how can we raise even \$4,000,000,000, when every dollar that is paid in taxes represents 200 cents of value? Somebody must pay these \$4,000,000,000, and they must pay the \$4,000,000,000 with 200-cent dollars, so that the people, in order to balance the Budget, must part with value to the extent of \$8,000,000,000 of wealth, even under the program of the incoming administration, under which the Budget is to be reduced 25 per cent.

Mr. President, I ask permission to insert at this point the complete letter sent me by Mr. Mitchell, the chairman of the Board of National City Bank of New York City.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLACK. Before the letter is put in I desire to know whether there is any statement in it as to the claim made by Mr. Mitchell about the manner in which the balancing of the Budget would bring about prosperity.

Mr. THOMAS of Oklahoma. This letter reads very much like an article for the Saturday Evening Post. It deals in glittering generalities. They demand that the Budget be balanced, and when we insist on knowing how the Budget is to be balanced, they say, "Go back to Washington, cut off half of the employees, cut off half of the departments, cut out your extravagant expenditures." But they do not name the department, they do not specify the employees. When the Senate proposed to cut off the air mail, taking \$19,000,000 from Mr. Mitchell's bank, could we do it? No; it could not be done.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NATIONAL CITY BANK OF NEW YORK,  
New York, February 20, 1933.

HON. ELMER THOMAS,  
United States Senate, Washington, D. C.

MY DEAR SENATOR THOMAS: Your letter of February 17 has been received and I am very glad indeed to reply.

I appreciate the concern for the economic condition of the country which has prompted your letter. I share with you, as, of course, everyone must, this concern and the desire to find the solution of our difficulties. The fervent prayer of us all is to get the country started on the road to recovery as soon as possible. There is no difference of opinion between us as to the urgency of the situation, nor as to the goal to which we are all working.

The major point of your letter upon which I am bound to disagree is the assumption that the New York banks have it in their power to bring back prosperity, if they would, but that for some reasons, upon which I am not clear, they have not seen fit to do so, but instead have deliberately pursued a policy which is bringing ruin upon the country.

Now I am ready to agree entirely with your proposition that Wall Street could not possibly hope to benefit from policies which are destructive of the interests of the country as a whole. This,

indeed, is the very basis of my argument. I hold it to be self-evident that the New York banks, and what is commonly known as Wall Street, are as vitally concerned in the recovery of the country as any other interest or section. I realize that a contrary opinion is held by some of our people. We frequently hear statements indicative of a belief that somehow or other the interests of Wall Street and of the rest of the country are in conflict. But surely a moment's reflection must refute this point of view.

The New York banks are not bankers only to a small group of interests confined within the limits of lower Manhattan Island and isolated from the rest of the country. They make their living by financing the trade of the whole Nation. They hold in their portfolios the notes and bonds of individuals and corporations located in every State in the Union. Every day Wall Street watches the reports from all sections of the country by press, by private wire, and by telephone, detailing the progress of the crops, the output of the factories, and the movement of trade. If the news is good, Wall Street recognizes this as favorable and registers its satisfaction in the movements of the markets. If the news is bad, Wall Street is disappointed and registers its disappointment in the markets accordingly. Nothing, to my mind, could be clearer than the proposition that the prosperity of New York as a financial center is inseparably bound up with the prosperity of the rest of the country; and nowhere is this fact more keenly realized than in Wall Street.

Since this is the case, it seems equally clear that if the New York banks had had the power to end the depression at will, they would have required no outside pressure to induce them to exercise it. Their own self interest would have been pressure enough. Is it not utterly inconceivable that these banks would have tolerated conditions which have involved them in continuous anxiety and loss over a three-year period if it had been within their power to avoid it? And considering the world-wide scope of the depression, is it not straining a point a good deal to assume that the control of the whole thing lies in the laps of a few New York bankers?

Of course, the answer is that the New York banks do not have any such power. They can not create a demand for goods, put the millions of unemployed back to work, consume the commodity surpluses, correct the disparities between prices and incomes which bear so heavily upon certain classes of our population, reduce the burden of taxation, remove the artificial barriers shackling international trade, offset the destructive effects of depreciating foreign currencies upon our commodity markets, or remedy the various other maladjustments of industry and trade which have contributed to and prolonged the depression. Banks are merchants of credit, and their service to business lies in supplying a means of facilitating production and distribution. It is true that the New York banks have large sums of money available for lending. But, like any other merchant, they can not sell their wares unless solvent customers come to buy. And there is where the trouble lies to-day. The solvent customers of banks do not, as a rule, want to borrow, for the simple reason that, conditions being as they are, they do not see how they can use the money at a profit.

Under such conditions it must be perfectly apparent that a demand that the bankers should "do something to end the depression" can mean only one thing, that they should lower their credit standards and lend more freely, and with less insistence upon adequate security and full satisfaction as to the borrower's ability to repay at maturity. Certainly this would be a new conception of the proper conduct of banking, and one which I doubt would prove to be very popular with bank depositors. Moreover, I am equally doubtful as to the likelihood of selling this method of combating the depression to the departments of our Government charged with bank supervision, and I am still more doubtful as to the benefits to the country to be expected ultimately from such a policy.

I am, of course, thoroughly aware of the widespread and often bitter criticism to which banks are being subjected. But I am also impressed by the fact that the criticism of banks which have gone ahead and loaned too freely and got themselves into difficulties so that they could not pay their depositors is just as loud and bitter as the criticism of banks which have not granted credit as freely as some of their would-be borrowers think should be the practice.

Of course, it would be useless to deny that some of the criticism of banks is justified. Bankers made mistakes of judgment during the boom, as did most everyone else, and the overexpansion of credit which took place at that time is the cause of one of our basic difficulties to-day. Much of the criticism, on the other hand, is founded on ignorance of the problems facing bankers and of the nature of the banking business. Doubtless it is true that bankers in many instances have tightened up unduly in their credit-granting policies. But it must be remembered that they have had good grounds for caution in the nervous state of the public psychology and in the need that exists for being fully prepared for any emergency that might develop. Moreover, we know that in some communities the withdrawals of deposits by the public have been on such a scale as to force an almost complete suspension of credit-granting activities.

Obviously, where banks have been deprived of their lending power it is useless to command them to lend. And to criticize other banks which have retained their liquidity for reluctance to impair this liquidity with what they judge to be questionable loans would appear to me to be decidedly poor public policy. Only recently we have had a demonstration of the value of liquidity in the aid which the New York banks have been able to extend in the Michigan situation. Moreover, this liquidity is going

to be needed when business picks up and there is a demand for credit from firms legitimately entitled to it. If at such time it should be found that the banks had involved themselves in a lot of second-grade paper where would we be then?

In short, the New York banks have never "forced the retreat," nor have they the power "to give the order to advance." They can aid in the situation, but their aid must consist, after taking care of all proper demands upon them, in keeping themselves in sound and liquid condition so that they may be in a position to finance industry when it revives. Whatever the mistakes of the past may have been with respect to incautious extensions of credit, they should not be repeated now. The impetus to reviving industry must come from industry itself.

Nor can such revival be stimulated by dosing the markets with additional supplies of currency and credit. More currency is now outstanding than at any previous time in our country's history, and for over three years the money markets have been kept flooded almost continuously with Federal reserve credit. And yet the depression has not lifted. Hence it is evident that the difficulty does not lie with the supply of currency and credit, but with the inability of industry to put the currency and credit that we have to use.

How to remedy this difficulty and permit these supplies of money and capital to circulate freely once more is the problem that concerns us all. This, as I see it, is primarily a problem of gradually working out a new equilibrium in industry in place of that shattered first by the war and later by the collapse of 1929. Of course, readjustments of such magnitude necessarily take time, depending in part upon how much resistance is offered to the corrective forces. But much undoubtedly has been accomplished, and there can be little question but that there exists to-day a very large backed-up demand for goods which would make itself felt with any revival of confidence.

In conclusion, I venture to suggest that the opportunities open to Congress for allaying the anxieties of the American people are far beyond anything within the power of the banks. Congress alone can assure the country a balanced Budget and a sound currency—two essential points in any program of recovery. And Congress alone has the authority to arrive at the settlements with foreign nations necessary to clear the way to a general return to the gold standard, with all that that means in the way of restoring stability to the exchanges and correcting the evils of depreciating currencies.

It is the uncertainty in the minds of business men and investors with respect to such vital questions of national policy that damps down initiative and keeps capital locked up unused or concentrated in investments of short term and highest liquidity such as Government bills and certificates. To make capital more venturesome it is essential to remove these causes of apprehension. If Congress will address itself to an attack upon the business depression along these lines, I am confident that the results would be most encouraging in demonstrating at last the way for the country to move forward toward better times.

Very truly yours,

C. O. MITCHELL.

Mr. BLACK. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLACK. It is my understanding that the argument made by Mr. Mitchell and others, the argument advanced in favor of balancing the Budget as a means of bringing about prosperity, is that money that is now being paid by taxes would be released for use in business. I call the Senator's attention to the fact that the bulletin gotten out by Mr. Mitchell's bank in January makes the statement that there is more money now in the possession of the banks than can possibly be used in business. So I am wondering whether he gives any reason in this letter as to why balancing the Budget would bring about prosperity.

Mr. THOMAS of Oklahoma. The letter will appear in the RECORD to-morrow, and, of course, speaks for itself. I would not want to give my interpretation, which might possibly be in error.

Of course, there is no chance for this Congress to take any action upon this question. I hope that we will have conditions such that when the next Congress convenes, which may be around April first, we will have a body here that will at least listen to reason and not listen for whispers from Wall Street. We have had those whispers for 12 years and, as a result of following the nod and the whisper coming from Wall Street, we have the admission of the present President that the United States is in the worst depression in history.

There is no possible solution for the condition in which the people find themselves, who are now over their heads in debt, except to reduce the buying power of the dollar, so that they can secure the dollars with which to pay their obligations. It is the program, on the one hand, to scale down the debts. As a practical proposition, perhaps some

of the contracts might be scaled down. We might find a farmer debtor and his creditor, the man who made the farmer the loan, who might get together in an isolated case and agree on a scaling down of a mortgage. But there are so many of the mortgages, and so many of these debts, that as a practical proposition in my judgment the plan is wholly impractical. I can see no possible way for the Budget to be balanced, for the unemployed to get work, for the farmers to secure living prices for their commodities, save through a cheapening of the dollar, bringing its buying power down, and that can be done by placing more dollars in circulation. If placing more dollars in circulation would not have that effect, why do the big financial powers oppose it so viciously? If placing money in circulation will not do what we claim it will do, then why do the powers which control the financial policy of the United States and of the world oppose such policy?

I have tried to show this afternoon that through force of circumstances the Government has been forced to place in circulation a quarter of a billion dollars during the past five weeks, in the banks, not among the people, and even that has stopped the decline in wholesale prices. That trend is checked. Not only was it checked but we can see a slight advance. If the putting of a quarter of a billion dollars into circulation checks the decline and causes a slight upturn, perhaps another quarter of a billion dollars put into circulation would cause a further upturn. If these things happen, then we must admit that we have ability enough to control the amount of money placed in circulation, and can keep it from getting beyond us as it did in Germany.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HATFIELD. How much of an inflation would the Senator think would be sufficient to take care of the situation?

Mr. THOMAS of Oklahoma. Of course, I could not answer that question. Last year, when the bonus bill was before us, I submitted that identical question to economists, not only at home but abroad, and it was the universal opinion at that time that the amount of the bonus, \$2,400,000,000, would be too much money to go into circulation. Most of those to whom I submitted the matter thought that a billion or a billion and a half would be sufficient to raise commodity prices, which was one of my reasons for supporting the bonus bill. A quarter of a billion has stopped the decline in prices and showed a tendency to an upturn. If a quarter of a billion would do that, a half billion would show a further upturn. We have the best brains studying this problem. They have lines of communication in every direction. They have the radio and the trans-Atlantic lines, they have information not only here but abroad and throughout the world, and all they have to do is to watch the trend of prices and to control the matter through placing money in circulation when prices trend downward and taking money out of circulation when prices trend upward. Great Britain and Sweden are thus managing their currency, and prices in both countries are controlled and stabilized.

Mr. HATFIELD. Mr. President, would the Senator limit the amount at a certain point up or down?

Mr. THOMAS of Oklahoma. The bill I have pending, of course, fixes certain limitations; but I do not care to discuss the bill at this time. At no time during this winter have I gone into the details of how reflation should be accomplished. Until the Senate and the country come to the conclusion that inflation, or reflation, or expansion is necessary, there is no use discussing details of administration. I am not discussing silver; I am not discussing the Rankin-Thomas bill; I am not discussing any other bill. There is no use discussing details until we get a conviction that something must be done along the line of inflation or expansion. When we get to that point we will decide on the best means of doing it, and there are various means by which reflation or expansion of the currency can be accomplished.

This question is the paramount issue before the country, and no other question or issue can be settled until we pro-

ceed to regulate the value of the dollar. The sooner this is done, the sooner the Budget may be balanced, and the sooner will confidence return to an embarrassed and a harassed people.

#### BEQUEST OF THE LATE WILLIAM F. EDGAR

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 48) to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army, which were, on pages 1 and 2, to strike out the preamble; on page 2, line 4, to strike out "the said bequest" and insert "the bequest of the late William F. Edgar, of Los Angeles County, Calif., as contained in his will and testament and codicil thereto and such interest as may have accrued on the funds covered by such bequest"; and on page 2, line 8, after "codicil," to insert "copy of which shall be filed in the General Accounting Office."

Mr. REED. I move that the Senate concur in the amendments of the House.

Mr. ROBINSON of Arkansas. Mr. President, may I inquire what the joint resolution is?

Mr. REED. It is a joint resolution which originated in the Senate authorizing the acceptance by the Surgeon General of the Army of a bequest left for a medical library in the Surgeon General's Office. It has been held that he has no authority to accept it without permission of Congress. The amendment of the House does not change the purpose of the joint resolution.

Mr. ROBINSON of Arkansas. Very well.

The PRESIDENT pro tempore. The Senator from Pennsylvania moves that the Senate concur in the House amendments.

The motion was agreed to.

#### INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes.

Mr. McNARY. Mr. President, a committee meeting is in progress at this time, engaging the attention of a number of Senators who have expressed a desire to be present when the appropriation bill is taken up, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kendrick	Sheppard
Austin	Cutting	King	Shipstead
Bailey	Dale	La Follette	Shortridge
Bankhead	Dickinson	Logan	Smith
Barbour	Dill	Long	Smoot
Barkley	Fess	McGill	Steiwer
Bingham	Fletcher	McKellar	Stephens
Black	Frazier	McNary	Swanson
Blaire	George	Metcalf	Thomas, Idaho
Borah	Glass	Moses	Thomas, Okla.
Bratton	Glenn	Neely	Townsend
Brookhart	Goldsborough	Norbeck	Trammell
Broussard	Gore	Norris	Tydings
Bulkeley	Grammer	Nye	Vandenberg
Bulow	Hale	Oddie	Wagner
Burnes	Harrison	Patterson	Walcott
Capper	Hastings	Pittman	Walsh, Mass.
Caraway	Hatfield	Reed	Walsh, Mont.
Carey	Hayden	Reynolds	Watson
Clark	Hebert	Robinson, Ark.	Wheeler
Coolidge	Howell	Robinson, Ind.	White
Copeland	Johnson	Russell	
Costigan	Kean	Schuyler	

Mr. SHEPPARD. My colleague, the junior Senator from Texas [Mr. CONNALLY], is unavoidably detained by illness.

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present. The clerk will report the first amendment.

The first amendment of the Committee on Appropriations was, under the subhead, "Office of the President," on page

2, line 12, before the word "secretaries," to strike out "additional" and insert "assistant," and in line 13, after the word "at" in line 12, to strike out "\$10,000 each; \$115,665" and insert "\$9,500 each; \$114,665," so as to read:

Salaries: For personal services in the office of the President, including Secretary to the President, \$10,000; two Assistant Secretaries to the President at \$9,500 each; \$114,665.

The amendment was agreed to.

The next amendment was, on page 3, line 15, to reduce the total appropriation for the Executive Office from \$428,498 to \$427,498.

The amendment was agreed to.

The next amendment was, under the subhead, "Vocational rehabilitation," on page 15, line 22, after the word "the," to strike out "act of June 9, 1930" and insert "acts of June 9, 1930, and June 30, 1932," so as to read:

Cooperative vocational rehabilitation of persons disabled in industry—Rehabilitation: For carrying out the provisions of the act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920 (U. S. C., title 29, sec. 35), as amended by the act of June 5, 1924 (U. S. C., title 29, sec. 31), and the acts of June 9, 1930, and June 30, 1932 (U. S. C., Supp. VI, title 29, secs. 31-40), \$1,097,000.

The amendment was agreed to.

The next amendment was, on page 16, line 6, after the word "the," to strike out "act of June 9, 1930" and insert "acts of June 9, 1930, and June 30, 1932," so as to read:

Salaries and expenses: For making studies, investigations, and reports regarding the vocational rehabilitation of disabled persons and their placements in suitable or gainful occupations, and for the administrative expenses of said board incident to performing the duties imposed by the act of June 2, 1920 (U. S. C., title 29, sec. 35), as amended by the act of June 5, 1924 (U. S. C., title 29, sec. 31), and the acts of June 9, 1930, and June 30, 1932 (U. S. C., Supp. VI, title 29, secs. 31, 40), including salaries of such assistants, experts, clerks, and other employees, in the District of Columbia or elsewhere, as the board may deem necessary, actual traveling and other necessary expenses incurred by the members of the board and by its employees, under its orders; including attendance at meetings of educational associations and other organizations, rent and equipment of offices in the District of Columbia, and elsewhere, purchase of books of reference, law books, and periodicals, newspapers not to exceed \$50, stationery, typewriters and exchange thereof, miscellaneous supplies, postage on foreign mail, printing and binding, and all other necessary expenses, \$64,400, of which amount not to exceed \$50,680 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Federal Trade Commission," on page 22, line 8, after the word "act," to strike out "\$500,000" and insert "\$780,000, of which \$280,000 shall be available for the completion of the public-utilities investigations undertaken pursuant to Senate Resolution No. 83, Seventieth Congress."

So as to read:

For five commissioners, and for all other authorized expenditures of the Federal Trade Commission in performing the duties imposed by law or in pursuance of law, including secretary to the commission and other personal services, contract stenographic reporting services; supplies and equipment, law books, books of reference, periodicals, garage rental, traveling expenses, including not to exceed \$900 for expenses of attendance, when specifically authorized by the commission, at meetings concerned with the work of the Federal Trade Commission, not to exceed \$300 for newspapers, foreign postage, and witness fees, and mileage in accordance with section 9 of the Federal Trade Commission act; \$780,000, of which \$280,000 shall be available for the completion of the public-utilities investigations undertaken pursuant to Senate Resolution No. 83, Seventieth Congress.

Mr. ROBINSON of Arkansas. Mr. President, at this point I ask consideration of the amendment which I sent to the clerk's desk some time ago.

The PRESIDENT pro tempore. The amendment will be reported for the information of the Senate.

The CHIEF CLERK. The Senator from Arkansas offers the following:

On page 22, line 8, strike out "\$780,000" and insert "\$1,081,500."  
On page 22, line 13, strike out "\$10,000" and insert "\$20,000."  
On page 22, line 14, strike out "\$790,000" and insert "\$1,101,500."

The PRESIDENT pro tempore. The Chair is of the opinion that the second amendment, on page 22, line 13, to strike out "\$10,000" and insert "\$20,000," is in the nature of an

amendment to the text, while the others are amendments to the committee amendment.

Mr. ROBINSON of Arkansas. I am proposing to amend the committee amendment.

The PRESIDENT pro tempore. The Chair so understands, but there are two committee amendments which the Senator wishes to amend.

Mr. ROBINSON of Arkansas. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Arkansas to the amendment of the committee, on page 22, in line 8.

Mr. SMOOT. Mr. President, the committee gave for the investigation by the Federal Trade Commission \$280,000 more than the House provided. That was the amount asked for by Francis Walker, chief economist of the board. But in the letter which he sent to the committee these words appear:

These estimates, it should be noted, relate to the utilities inquiry only and allow nothing for other regular investigatory work of the commission authorized and contemplated by the Federal Trade Commission act.

The amendment of the Senator from Arkansas covers the estimated amount for the items I have just named, and I have no objection to having the amendment agreed to and let it go to conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The question now is on the amendment of the Senator from Arkansas, on page 22, line 13, to strike out "\$10,000" and insert "\$20,000."

The amendment was agreed to.

The PRESIDENT pro tempore. The question now recurs on the amendment of the Senator from Arkansas to the amendment of the committee on page 22, line 14, to strike out "\$790,000" and insert "\$1,101,500."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD a letter addressed to the Hon. THOMAS J. WALSH, dated February 2, 1933, from the chief counsel of the Federal Trade Commission explaining the effect of the reductions that have been attempted in connection with the appropriations for the Federal Trade Commission and the necessity for the amendments that have just been adopted. I ask that the letter be printed in the RECORD in connection with and following the remarks I am now making.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

FEDERAL TRADE COMMISSION,  
Washington, February 2, 1933.

Hon. THOMAS J. WALSH,  
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: You have asked me to write you what the effect would be of a reduction in the Federal Trade Commission's appropriation from the Budget figures of \$1,109,550 (which is about \$200,000 under the commission's reduced request) down to the sum of \$500,000, plus \$10,000 for printing, as reported and recommended by the House Subcommittee on Appropriations.

With only \$10,000 for printing we shall not be able to print records and briefs necessary to the enforcement of section 5 of our act and the sections of the Clayton Act committed to us, even assuming the legal division was permitted to use the entire amount.

I do not believe that with this reduced appropriation we can adequately perform our functions of enforcement under section 5 of the Federal trade act, sections 2, 3, and 7 of the Clayton Act, and of the Webb-Pomerene Act.

As to the utility investigation under Senate Resolution 83, it will be impossible to complete the field work, write reports, and put these reports and the testimony concerning them into the record by July 1, even on the companies now being examined.

As I think you probably know, most of the field work and reports on the financial structure and practices has been largely carried on by specially selected and qualified temporary accountants and engineers. Some of these have already left the commission for better jobs, and have not been replaced for lack of sufficient funds or the impounding of such funds, and the pro-

posed cut would definitely terminate the services of all the remainder by July 1 and, it may be, of most of the regular staff engaged on this work. The effect on their work in the meantime with this definite fate ahead of them is problematical. If the appropriations and a sufficient force had been available, it seems likely that the field work might have been substantially completed by July 1. In this connection it should be remembered that with an inadequate staff and appropriation the commission has been carrying on for the Congress not only the utility investigation, but also extensive investigations under congressional resolutions of cottonseed, chain stores, Government building prices, and cement.

As the situation now stands, there will remain on July 1 several large groups not examined which should be looked into. In my judgment, this would mean halting the work at a crucial stage, because as this work has progressed it has become increasingly evident that it is in the public interest that all large companies, both holding and operating, should be examined, in so far as the jurisdiction of the commission could carry the inquiry. Practices, inimical both to the public and the investors, have been so widespread as to warrant making the investigation as complete as possible.

The decreased appropriation would mean stopping the work on the power and gas investigation on July 1. In addition to the omission of certain important groups and companies this would mean that we should be unable to complete the work on certain groups and companies that have been studied, on certain ones on which reports are now in preparation, and be unable to put them into the record.

In addition, I don't know how we shall be able to write final reports based on these examinations and to make the recommendations to the Senate that its resolution contemplates.

As you know, under the terms of the Senate resolution, the transcript of testimony and accompanying exhibits have been transmitted to the Senate on the 15th of each month. Hearings now being conducted will be incorporated in the fiftieth part. Obviously, to be of value to the Congress and the public, this testimony and the exhibits must be brought together and summarized in orderly form—probably in two reports, one on the propaganda and one on the financial structure and practices. Considerable work has been done on the propaganda report. The financial report has been started and will require the activities of a sizable staff from both the economic and legal divisions for considerable time to make the kind of report which its public importance warrants. It is our plan to boil down all the detailed information, which has been assembled, into as small a space as possible and into understandable form to make it valuable to Congress and others.

I believe I am speaking conservatively when I say that as a result of this investigation, together with the speeches of yourself, Senator NORRIS, and others, and the statements of President-elect Roosevelt, far-reaching effects are already apparent. The electric utility industry has abolished practically all their State information bureaus, they are dissolving Nela, and have stated that they are abandoning their propaganda activities.

No exact measurement can be made of the effect on the rate structure, but rather obviously it has been substantial. That means real savings to all users, immediate and continued. Part of this results from withdrawals, or lowering to actual cost, of holding company charges upon their dominated operating companies.

Most important of all, they have announced a program of financial reform, through the Edison Electric Institute which, if it is carried out in good faith, will save the people of the United States hundreds of millions of dollars.

In my opinion, if we do not take on a single additional company, we can not complete the work satisfactorily or write worthwhile reports on the material already in the record if the appropriation is cut down as proposed.

Even with increased appropriation, and without enlarging our present program, there would be left almost untouched the big natural-gas field which has grown so rapidly in importance during the period in which this investigation has been under way.

Furthermore, if the appropriation is cut down in the manner proposed, there is grave danger that the economic division, with its experienced and trained men, may be destroyed. This might mean the abandonment of all work under section 6 of the Federal trade act and the breaking up of a trained staff which ought to be maintained as the original act intended, as a virtual standing investigating committee for the Congress, ready, as it always has been, to undertake the numerous investigations which either or both Houses of Congress and the President have sent over. Neither will the proposed reduced appropriation permit the commission to institute investigations of its own, as the act intends, nor do other things required by section 6 of the act.

Very truly yours,

ROBT. E. HEALY, Chief Counsel.

Mr. ROBINSON of Arkansas. I also ask to have inserted in the RECORD at this point a memorandum appearing at page 30 of the hearings before the subcommittee on the pending bill, signed by Francis Walker, chief economist of the Federal Trade Commission.

The PRESIDENT pro tempore. Without objection, that order will be made.

The memorandum is as follows:

MEMORANDUM FOR THE SENATE APPROPRIATION COMMITTEE

IN RE: COST OF COMPLETION OF THE PUBLIC UTILITIES INQUIRY

The appropriation estimates for the Federal Trade Commission, as prepared by the commission for the Bureau of the Budget last summer, were made on the supposition that no allowance would be made by the Budget for the inclusion of additional public utility groups in order to close the record of public hearings thereon by July 1, 1933. However, it was represented to the Budget Bureau at that time that it would be very desirable to include several additional groups of companies in the electrical industry and, even more important, to cover a somewhat greater number of groups of companies in the gas industry. The natural-gas industry, as stated to the Senate committee, has grown very rapidly in the last two years and has taken on a complicated corporate structure like that of the electrical industry including gas producing companies, gas pipe-line companies, and gas distributing companies, together with a similar congeries of holding companies, security companies, service companies, construction companies, etc.

The list furnished to the Senate committee, as stated, is in three parts, showing (1) those groups or companies for which the information is already in the record; (2) those groups or companies which are in process of examination and for which the reports were expected to be in the public record by the end of June, 1933; and (3) those groups or companies with respect to which the need of further inquiry was deemed highly important if the requirements of the Senate resolution were adequately complied with.

It now appears, however, that even if the inquiry is limited to the first two lists referred to above, it will be impracticable to put all the reports and oral testimony in the record by June 30, 1933. This list includes some of the most important groups, among which may be mentioned especially the Cities Service, the Niagara Hudson Central Public Service, and United Gas Improvement. It is expected, however, that the field work and nearly all of the reports on these companies will be ready to put in the record on or before that date, June 30, 1933. Here, however, has developed another difficulty, namely, an overcrowding or "jam" in the matter of putting all these reports in the record, together with the oral testimony near the close of the fiscal year. As the committee is probably aware, the Senate resolution ordering this inquiry requires the procedure just indicated, namely, sworn testimony. In connection with this "jam" it should also be explained that the reports, when prepared by the examiners, are submitted in advance to the companies affected in order that they may have their representatives present and "have their day in court." This procedure also enables the commission, in case any error or questionable statement is made, to have their objection considered in advance. As a consequence the testimony of the commission's examiners goes into the record practically uncontested.

As to the estimated cost of the work referred to above, two figures are submitted herewith which are as nearly accurate as the undersigned is able to compute at such short notice.

First, taking only the companies in the first two lists referred to above and allowing for putting them all in the public record, together with the expense of preparing the final report to the Senate (on a record probably exceeding 20,000 pages for the financial features alone), the estimated expense is \$70,000.

Second, taking all three lists and making the inquiry cover the ground that the commission believes necessary for an adequate report, including putting the information into the record through public hearings and writing the final report, the estimated expense is \$280,000.

These estimates, it should be noted, relate to the utilities inquiry only and allow nothing for other regular investigatory work of the commission authorized and contemplated by the Federal Trade Commission act.

FRANCIS WALKER, *Chief Economist.*

Mr. ROBINSON of Arkansas. Mr. President, I do not desire to enter upon a prolonged discussion of the amendments which have been accepted by the Senator from Utah [Mr. Smoot] and agreed to by the Senate, but I do wish to point out in a very brief summary the fact that the Bureau of the Budget made a reduction of 24 per cent from the appropriation for the present fiscal year; that is, the amount carried by the Budget estimate was 24 per cent less than the amount appropriated for the fiscal year ending June 30, 1933. The action of the House constituted a reduction of over 65 per cent from the appropriation for the present fiscal year and over 54 per cent from the Budget estimate.

The action of the Senate Committee on Appropriations resulted in a provision for continuing the utilities investigation, but it did not provide the funds essential for other investigations and other work on the part of the commission. They have assembled there a corps of experts and investigators. Their appropriation is comparatively small in any event. It is very much reduced under the appropriation for 1932 and for 1933. The amendments which I have

offered and which have been agreed to provide a sum \$8,000 less than the amount carried in the Budget estimate.

I make this statement in order that it may be understood that these amendments are of primary importance and it is expected they shall remain in the bill.

Mr. HATFIELD. Mr. President, in support of the amendments of the Senator from Arkansas I wish to offer for the RECORD a statement made by the bureau of investigation of the American Medical Association and published in its official organ, the Journal of the American Medical Association, a periodical published weekly with a circulation of 88,200 copies, in support of the good work being done by the Federal Trade Commission. I think this testimonial will in all probability justify the conferees in agreeing to the approval of the amendments of the Senator from Arkansas as they have just been adopted.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement is as follows:

FURTHER GOOD WORK IN PROTECTING THE PUBLIC

At various times attention has been called to the good work that is being done by the Federal Trade Commission in protecting the public against misrepresentation or fraud in the medical or quasi-medical fields. Before the Federal Trade Commission was brought into existence, there were only two Federal agencies that offered any protection to the public in this field—the Department of Agriculture, through its food and drug administration, which enforces the national food and drugs act, and the Post Office Department, which can issue fraud orders debarring fraudulent schemes from the mails. Both of these agencies, however, have sharp limitations. As physicians know, no matter how fraudulent a "patent medicine" may be in its advertising, if the manufacturer is shrewd enough—and most manufacturers of "patent medicines" do not lack shrewdness—to make no false, misleading, or fraudulent statements on or in the trade package, but confines his mendacity to newspaper advertisements, radio talks, billboards, etc., he can not be reached under the national food and drugs act. That law prohibits false or misleading statements regarding composition or origin and false and fraudulent statements regarding therapeutic effects of medicine only when they are made in or on the trade package.

The postal authorities have the power of denying the use of the United States mails to concerns that have been found guilty of obtaining money through the mails by false and fraudulent pretenses and promises. This power is exercised through the use of what is known as a fraud order. The authorities act, however, broadly speaking, only in cases in which a definite complaint is registered with the Post Office Department by one who feels that he has been defrauded through the use of the mails.

But there are many dubious schemes in the medical or quasi-medical field that can not be reached under either of these two governmental powers. It is here that the Federal Trade Commission comes into the picture. Congress has given this commission power to investigate and take action on cases that involve or that seem to involve what are broadly spoken of as unfair trade practices. Where such investigations prove that unfair trade practices have been indulged in, the commission can, and in many instances does, obtain from the individual or concern involved a signed stipulation to the effect that the objectionable methods will be abandoned. If a stipulation can not be arrived at, the commission may issue what is known as a cease and desist order, in which the person or concern involved is ordered to cease and desist from the objectionable practices.

The Federal Trade Commission issues bulletins at frequent intervals detailing, sometimes briefly, sometimes at length, the results of its work. In cases of ordinary stipulations the commission as a rule does not publish the names of individuals or firms involved, although this rule is not absolute. In all cease and desist orders the names and addresses of the concerns are given, and in many instances the details of the case are also made public. Brief abstracts of a few of the many cases reported in the commission's bulletins in the past few months follow, supplemented in some instances by information on file in the bureau of investigation:

Restoria hair dye: Beautifactors (Inc.), of New York City, who sold a hair dye called "Restoria," agreed to discontinue the use of the name "Restoria" and to discontinue representing that the compound is a French discovery that will restore color to gray hair; that it is harmless; and that it is undetectable, when such are not the facts.

Artery-Lax: L. E. Bowen, of Chicago, who did business under the trade name of Artery-Lax Co., sold an alleged treatment for high blood pressure. Bowen, following an investigation by the commission, has declared that he has discontinued all advertising of Artery-Lax and will not resume it.

Yvonne Bebeaux hair dye: Yvonne Bebeaux, of New York City, who sold a hair dye, has agreed to discontinue representing that the dye will "restore" the color of the hair; that it was perfected by a French scientist; that offices had been established in Paris and London; and to discontinue representing that the hair dye

recolors the hair shaft and that the hair will never grow gray again, when all such statements are false.

**Curetive:** This was an alleged remedy for skin diseases. It was put out by the Curetine Laboratories, which has agreed to discontinue advertising and offering the product for sale.

**Palmo Co.:** One Harry D. Powers, of Battle Creek, Mich., who did business under the name Palmo Co., distributed "Palmo Globules," an alleged cure for bladder trouble, cystitis, and general debility. Following an investigation by the commission, he agreed to discontinue representing that any definite proportion of men are afflicted with prostatic trouble, to discontinue representing that his treatment will cause the user to sleep all night, and to discontinue representing that Palmo Globules will produce a soothing or healing action, when such is not the fact.

**Germico Products:** "Germico Hygienic Powder" and "Germico Vaginal Suppositories" or cones were sold by one Max Elman, who did business under the trade name Germico-Pharmaco. Elman has agreed to discontinue advertising and selling the products.

**Marvo:** William Witol and Marvo (Inc.), of New York City, sold a skin peel called "Marvo." Following an investigation of their methods by the commission, they agreed to discontinue representing that the Marvo treatment is one for which foreign beauty doctors have charged enormous sums, when such is not the fact, to discontinue representing that Marvo will within three days' time remove pimples, blackheads, crow's-feet around the eyes, wrinkles, etc. From information in the bureau of investigation files it appears that Witol's Marvo had at one time as its active caustic ingredient salicylic acid. Later resorcin seems to have been the active ingredient. Reports have been received from physicians in various parts of the country of severe reactions suffered by patients who had used the Marvo product.

**Hildebrand Laboratories:** Frank Granzow, of Chicago, whose trade name is "Dr. Hildebrand Laboratories," sold an alleged treatment for gallstones, stomach trouble, nervousness, jaundice, and constipation. He signed a stipulation with the commission to discontinue representing that his treatment will cure the ailments specified, when such is not the fact; to discontinue representing that a treatment of 100 capsules is a complete treatment, when such is not the fact; and to discontinue representing that the testimonials published are unsolicited, unless they actually are unsolicited. The Hildebrand product has been reported to contain menthol, oleic acid, phenolphthalein, powdered gentian, castile soap, and sodium salicylate.

**American Vienna Co.:** The American Vienna Co., of Battle Creek, was a trade name used by Floyd R. Perkins and Mrs. E. M. Boyer. These people have agreed to discontinue the use of the word "Vienna" in the trade name within six months and to discontinue representing that the product is a competent remedy for eczema, when such is not the fact.

**Aeriform Co.:** This was a Cincinnati concern, formerly known as the Aeriform Laboratories, which sold an inhaler and some medicated tablets for the alleged treatment of colds, catarrh, and similar ailments. The company has agreed to discontinue representing that a month's treatment of the "Doctor Beaty Blood Tonic" will be sent free to the purchasers of the inhaler, when actually the cost of this tonic is included in the price paid for the inhaler, and to discontinue representing that the Beaty Blood Tonic purifies the blood and that the Aeriform vapor treatment is a competent remedy for lung trouble and catarrh, when such are not the facts.

**Young's Victoria Cream:** This preparation, sold by the Frederick H. Young Co., of Toledo, was alleged to correct all skin troubles. The vendor has agreed, among other things, to discontinue representing that the cream will in a short time remove all skin blemishes.

**French Vigortabs and Toniquettes:** Carroll V. Giantrapani, who did business under the trade name Modern Sales Co. and also La France Laboratories Co., both of New York City, sold "French Vigortabs" and "French Toniquettes." These were alleged to be "pep" tablets. Giantrapani has agreed to discontinue advertising the product or any similar medicinal preparation and to discontinue its sale in interstate commerce.

**Valen's Bio-Dynamo-Prostatic Normalizer:** This imposingly named appliance, sold by the quack, George Starr White, of Los Angeles, was merely a rectal dilator, sold under the claim that it would banish prostate troubles. White has agreed to discontinue advertising the product in newspapers, magazines, or by direct mail. "George Starr White—Quack," was the title of an article published in the bureau of investigation department of The Journal, April 13, 1929. In it White's various excursions into the field of crude quackery were described in detail.

**Lanzette Hair Remover:** Annette Lanzette (Inc.), Chicago, which sells a synthetic pumice stone, has agreed to discontinue representing that the device permanently removes hair and to discontinue the use of the word "rid" or any other words that imply that the product permanently removes hair, when it has no such capacity.

**Goldman Hair Dye:** The Monroe Chemical Co., of St. Paul, using the trade name Mary T. Goldman, has agreed to discontinue representing that Mary T. Goldman is actively engaged in the business, when the fact is she is dead, and attributing to Mary T. Goldman statements and representations, without indicating that such statements were made when Mary T. Goldman was alive. The company also agreed to discontinue representing that the dye will "restore" the color of the hair, that the treatment takes only seven or eight minutes and requires only a few cents' worth of dye, and that the gray hair regains its youthful color over-

night, when such are not the facts. The Goldman product is a hair dye of the silver-salt type. The product was discussed at length in Hygeia some years ago in the article "To Dye or Not to Dye."

**Aphroton:** This alleged aphrodisiac was sold by one Charles N. Mallory, who used the trade name L. E. Norton Products Co., Chattanooga. Mallory has agreed to discontinue the use of the trade name "Aphroton" and to refrain from the use of any other word that might imply aphrodisiac properties, and to discontinue also representing that regardless of age or cause sexual vigor will be restored, when the product does not have any such capacity.

**Cystex:** The Knox Co., of Kansas City, Mo., which has exploited an alleged cure for bladder trouble, back-ache, muscular pain, etc., under the name "Cystex," has agreed to discontinue making false and misleading claims for its nostrum. The files of the bureau of investigation show that the exploiters of Cystex have made a pretense of giving composition of their product. Cystex, it seems, comes in the form of two tablets, gray and brown. A few years ago the gray tablets were said to contain hexamethylenamine, powdered extracts of colchicum, calcium phosphate, and thyroid substance. Later the claims made for these tablets omitted all reference to thyroid substance. The brown tablets have been claimed to contain extracts of hydrangea, corn silk, buchu, and triticum, with boric acid, potassium bicarbonate, and atropine sulphate. No quantities of the ingredients seem to have been published.

**Pile-Foe:** The Peoples Drug Stores, of Washington, D. C., venders of "Pile-Foe," an alleged cure for hemorrhoids, have agreed to discontinue representing that the preparation will stop pain instantly, regardless of the length of time a person has suffered, and that piles can be relieved or healed in five days or any other definite time.

**Keller's Kapsules:** J. T. Keller, who trades as the Keller Kapsule Co., Kansas City, Mo., has agreed to discontinue representing his preparation as a competent treatment for lumbago, rheumatism, neuritis, neuralgia, etc., without qualifying statements, and to discontinue representing that the preparation produces a prompt decrease in uric-acid formation, when such is not the fact.

**High blood pressure cure:** H. B. Tonnies, of Cincinnati, did business under the trade name Landis Medicine Co. and also advertised as C. R. Landis. He sold an alleged treatment for high blood pressure under the false claims that it was the prescription of a famous specialist and was a competent remedy for hypertension due to arteriosclerosis, nephritis, toxic goiter, etc. Tonnies has agreed to discontinue such claims.

**Mak-Ova stomach tablets:** This was an alleged treatment for the relief of "stomach agony," pain, vomiting, stomach ulcers, chronic gastritis, acidosis, and indigestion. It was put on the market by one C. W. Reynolds, trading as the Reynolds Chemical Co., of Mound, Minn. Reynolds has agreed to discontinue advertising that his nostrum is a competent treatment for the conditions just mentioned, or that the formula was the result of years of experimentation by a specialist that cost thousands of dollars to perfect.

**Stomach-ulcer remedy:** Normal H. Tufty, of Minneapolis, who traded as Morgan Miles Co. and sold an alleged treatment for stomach ulcers, has agreed to discontinue advertising this nostrum.

**Lepso:** This quack epilepsy cure is put on the market by R. P. Neubling, of Milwaukee, doing business under the trade names R. Lepso and Lepso Co. Neubling has agreed to discontinue his claim that the stuff can be taken safely by children, when such is not the fact, and also to cease claiming that the product is a competent treatment for epilepsy without indicating the limits of its effectiveness. Lepso was the subject of an article published in the bureau of investigation department of the Journal June 12, 1915. The matter is reprinted in the pamphlet, Epilepsy Cures. The product, at the time it was examined in the American Medical Association chemical laboratory, was found to contain the equivalent of 51 grains of potassium bromide to the dose.

**Radium Spa:** This was one of the numerous water jars sold under the claim that it will render water radioactive. It was put out by the American Radium Products Co., of Los Angeles. The Federal Trade Commission has ordered the company to cease and desist from misrepresenting the therapeutic value of the jar.

**Ten Herbs:** This nostrum is put out by the Ten Herbs Co., of Chicago. The concern has agreed to discontinue claiming that the preparation is a remedy for rheumatism, neuritis, nervousness, etc. Readers of this department of the Journal may remember that in the issue of June 6, 1931, there was published a photographic reproduction of a posthumous testimonial. This consisted of the facsimile of a Ten Herbs testimonial by a Mr. J. M. Hocker that appeared in the Harrisburg (Pa.) Patriot March 5, 1931, together with the facsimile reproduction of Mr. Hocker's death notice. Both testimonial and death notice appeared in the same issue of the Patriot.

**Varicose veins and eczema cure:** F. P. John, of Thiensville, Wis., has agreed to discontinue advertising his alleged treatment for varicose veins, old leg sores, and eczema.

**Youth-Tint hair dye:** This preparation was marketed by L. Pierre Balligny and Balligny Products (Inc.), of New York City. The vendors have agreed to discontinue claiming that their product will restore the color of the hair or stating that it is anything other than a hair dye.

**Dermolax:** H. G. Levy, who traded as the Interstate Laboratories, of Chicago, has agreed to discontinue the use of the firm name "Laboratories," as he neither owns nor operates any laboratories. He has also agreed to discontinue representing that psoriasis is caused by a germ localized in the tissues of the skin and that

Dermolax ointment and soaps would reach the seat of the trouble, when such is not the fact. He has also agreed to cease representing that Dermolax is a specific treatment for psoriasis. Information received by the bureau of investigation in 1929 from the National Better Business Bureau was to the effect that the Dermolax treatment consisted of a white product containing ammoniated mercury and a brown preparation that contained chrysarobin.

Mr. ROBINSON of Indiana. Mr. President, in further support of the amendments offered by the Senator from Arkansas [Mr. ROBINSON], I ask unanimous consent to have inserted in the RECORD at this point an editorial appearing this morning in the Washington Herald under the heading "Trade Commission Must Not Be Hamstrung by False Economy Moves."

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The editorial is as follows:

TRADE COMMISSION MUST NOT BE HAMSTRUNG BY FALSE ECONOMY MOVES

Altogether wise is the action of the Senate Committee on Appropriations in stipulating that \$280,000 shall be available for completing the investigation of public utilities which the Federal Trade Commission has been conducting since 1928.

If the Senate sustains its committee and insists that the House agree to appropriating this sum, the most useful inquiry which the Federal Trade Commission has yet made will be pressed until completed.

The Federal Trade Commission is practically the only governmental agency with the power to protect the public from exploitation at the hands of dishonest business.

By the law creating the commission, it is given two main functions—one, regulatory, and the other, investigational.

The commission is charged with the responsibility of suppressing monopolies and unfair competition in interstate commerce where the public interest is menaced.

The commission is also given the duty of acting as a fact-finding body for the Congress or the President.

Already the public utilities investigation, which the commission has pressed with fidelity and vigor, "has exposed the vicious propaganda of the utility corporations through colleges, schools, governmental agencies, and the press."

It has also laid bare the use of inaccurate forms of accounting which resulted in "an extensive padding of costs to operating companies through exorbitant fees charged for alleged services by holding companies."

But for the commission's inquiry, the country would not yet know that there has been an inflation of capitalization by a deliberate "write-up" of assets of more than \$1,000,000,000 in the companies already probed.

To shut off this inquiry before it had been completed would be an indefensible blow against the public interest.

If the Senate will appropriate the comparatively small sum required to complete the public utilities investigation, public sentiment will compel the House to support the leadership of the Senate.

It would be false economy of the most flagrant sort to hamstring the Federal Trade Commission by refusing it a sufficient appropriation to keep its searchlight on our public utility companies until their every transgression against statutory law and public morals is dragged into the light and written into the record.

Mr. NORRIS addressed the Senate. After speaking for nearly an hour, he said:

Mr. President, I will say to the Senator from Oregon [Mr. McNARY] that, since the interruption has taken place, I prefer to yield to him now rather than a little later, because I understand it will be necessary to conclude the session of the Senate in a short time, in any event. So I yield to the Senator from Oregon. I do not, however, desire to yield the floor.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The Chair understands the Senator from Nebraska retains the floor.

Mr. NORRIS. Very well.

[Mr. NORRIS'S speech is printed entire in RECORD of February 23.]

STATEMENT BY SAMUEL TILDEN ANSELL

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. The Senator from Oregon has the floor. Does he yield to the Senator from North Carolina?

Mr. McNARY. I yield.

Mr. BAILEY. Out of order, and by unanimous consent, I rise to request that there may be published as a part of my remarks a statement by Samuel Tilden Ansell in answer to the accusations made against him on the floor of the Senate on yesterday and to-day. I have submitted the statement

to the Senator who made the attack and he offers no objection to publication of the statement in the RECORD.

Let me say just a word further. My reason, Mr. President, for taking this action is that General Ansell is a constituent of mine, a native of North Carolina, and at the present time a citizen of that State, and I feel that he is entitled to publish his defense in the RECORD.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The statement referred to is as follows:

STATEMENT OF SAMUEL TILDEN ANSELL

The attack upon me in the Senate by the junior Senator from Louisiana, in which he revived accusations conclusively proven to be false at the time they were uttered many years ago, demands attention from me personally, and as attorney for the subcommittee which employed me, I desire that due record be made in justice both to the committee and myself as to these accusations.

He brings up the Bergdoll incident of nearly 14 years ago, the facts of which are as follows: Associated with other counsel I did represent Grover Cleveland Bergdoll who evaded the draft. I have neither apology nor regret for my conduct in that case. In April, 1920, nearly a year after I had resigned from the Army, I was first consulted and later retained by Bergdoll's Philadelphia attorneys—one of whom was Judge Westcott, a prominent practitioner and political figure of that date, who twice nominated Mr. Wilson for the presidency and who was a friend of Secretary of War Baker—to present to the War Department the question of the legality of Bergdoll's trial by court-martial, which was then pending upon review in the department.

I contended then, and I contend now, that under the Bill of Rights, once so sacred to Americans and all English-speaking peoples, as well as under the draft act itself, Bergdoll, not having been inducted into the Army, was triable only by a civil Federal court and jury for a noncapital civil offense and not by a court-martial for the military capital crime of desertion in time of war. Federal precedents and principle supported my contention, and the judge advocate handling the case in the War Department told me that he despaired of successfully resisting my view. But before the question was decided in the War Department Bergdoll escaped from military custody.

His counsel, representing to me that Bergdoll had money hidden in various places and wanted to leave prison under guard to get it, asked me to present the matter to the War Department. This I did in writing, stating that the representations were those of reputable Philadelphia attorneys whom I believed, but beyond that I myself knew nothing. As a matter of record fact, Bergdoll and his mother had withdrawn over \$100,000 in gold from the United States Treasury at or after the time he disappeared in evasion of the draft. The War Department granted the authority and, without conference with me and without my knowledge, itself prescribed the size of the military guard, selected the soldiers who comprised it, and gave the soldiers all their orders. I knew nothing further about the matter and was never in the slightest touch with it. Bergdoll escaped from the soldiers assigned to the duty of guarding him.

During the war as the chief law officer of the Army I had incurred the enmity of certain high-ranking militarists and certain political and fireside "patriots" by insisting that military power should never encroach on civil rights; by insisting on my right to review all death sentences before execution; by ameliorating the harsh sentences imposed by courts-martial upon tens of thousands of our untrained citizen soldiery; by fighting for, and finally obtaining, a revision of our archaic Articles of War; and, after the war, by acting as counsel for a House committee investigating military expenditures, a subject which might well have been investigated with beneficial results to this country.

When Bergdoll escaped, these superpatriots and profiteers, who had cared little how many other people's sons were killed, seized their opportunity and through their influence had a House committee appointed to investigate the Bergdoll escape, members of which later openly declared that their purpose was to "investigate the investigator" of war expenditures and the "chief critic of the necessarily rigid code of military discipline." I appeared before the committee only as a witness. Three of the members made a report, backed by not one scintilla of evidence but refused by it all, holding me—not the War Department—culpably responsible for the escape.

These committeemen never called up the report and never took or manifested any desire to take any action upon it. The House of Representatives was never requested to take and never took any action. My enemies were content to rely upon this unsupported report of this "select committee" to besmirch my record. That committee report has lain dormant from the day it was made until now.

I myself requested that the fullest investigation be made by all Government agencies. The Department of Justice, through its several agencies, investigated and found absolutely nothing to connect me in any manner with the escape. The War Department, where at the time I was persona non grata, made, through the Inspector General of the Army, a thorough investigation and absolutely exonerated me. In addition, 12 lawyers of national repute and distinction, acting entirely upon their own initiative, reviewed all the evidence taken by the committee and published their for-

mal conclusions. They completely exonerated me and expressed unqualified approval of my conduct. Those lawyers were Profs. E. M. Morgan and Edward S. Thurston, of the Harvard Law School; Frank J. Hogan and J. Kenyon Miller, former presidents of the District of Columbia Bar Association; George S. Wallace, banker and lawyer, of Huntington, W. Va.; Roy D. Keehn, major general, now commanding the National Guard of Illinois; Fred W. Ashon, of Nebraska; former United States Senator George E. Chamberlain, of Oregon, chairman of the Military Affairs Committee; Rome G. Brown, publisher of the Minneapolis Tribune; Judge Stephen J. Cowley, of Montana; Frederick A. Brown, of Illinois; and John S. Dean, of Kansas.

These lawyers published it as their conviction that if the so-called select committee had fairly weighed the evidence they could have come to but one conclusion, namely, that I was in no way responsible for or connected with the escape of Bergdoll.

It has always been a matter of great consolation to me that after Bergdoll escaped and the patrioteers had made their vicious attack upon me, the great Chief Justice White, who also came from Louisiana, long a warm personal friend to me, called upon me several times, unfailingly giving me his assurances of the entire rectitude of my conduct, assurances which continued till his death.

In those days war passions took the place of calm judgment. Time has served to vindicate my actions then so bitterly assailed. Most of the leaders in the vehemence of that day long ago sought me out and asked my forgiveness for the part they played. But the utterly discredited statements made then by men confessedly to serve their unworthy ends are revived to-day by Senator LONG. However high war passions ran, I, as principal law officer of the Army, stood firm for the preservation of civil liberty; throughout my professional career I have opposed lawlessness and oppression wherever found, whether in the Army, or on the bench, or at the bar, and at all times I have gone to pains to insist upon the rightful deserts of the men of our armed forces, especially those of the humblest rank, the enlisted men. For the rightful, even if at times unpopular, part I have borne I offer no apology; I have nothing but pride.

The Senator made the statement that by forgery or by false representations I brought about the order that made me the Acting Judge Advocate General of the Army during the War. The absurdity of the statement leaves nothing to answer. President Wilson appointed me brigadier general in the Judge Advocate General's Department to the end that while the Judge Advocate General was performing the duties of Provost Marshal General I should perform the duties of Acting Judge Advocate General. I had nothing whatever to do with bringing about my appointment. I performed those duties throughout the war to the evident satisfaction of the head of the War Department. I resigned from the Army, as I had long intended to do, under no pressure of any kind, and at the special request of my principal enemy I remained longer than I otherwise should have done in order that my work in releasing thousands of enlisted men who were unjustly imprisoned might be fully accomplished. On January 27, 1919, the following general order, at the direction of President Wilson, was published awarding me the distinguished-service medal:

"By direction of the President, under provisions of an act of Congress, approved July 9, 1918, and in pursuance of the proceedings of a board of officers appointed to consider awards of such medals, the distinguished-service medal is awarded to the following named officers and civilians for 'especially meritorious service to the Government in a duty of great responsibility':  
\* \* \* Brig. Gen. Samuel T. Ansell, United States Army, for especially meritorious and conspicuous service as Acting Judge Advocate General of the Army, whose broad and constructive interpretations of law and regulations have greatly facilitated the conduct of the war and military administration."

SAMUEL TILDEN ANSELL.

#### MESSAGE FROM THE HOUSE—ENROLLED BILL

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 7522) to provide a new Civil Code for the Canal Zone and to repeal the existing Civil Code.

#### ECONOMIC ANALYSIS OF FOREIGN TRADE OF THE UNITED STATES IN RELATION TO THE TARIFF

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate a letter from Thomas Walker Page, acting chairman of the United States Tariff Commission, transmitting manuscript supplemental to that previously transmitted in partial response to Senate Resolution No. 325, an economic analysis of the foreign trade of the United States in relation to the tariff, stating that these data are in answer to paragraphs 1, 2, 3, 4, and 9 of that resolution and that additional material will follow as quickly as it can be made ready.

Mr. COSTIGAN. Mr. President, the material referred to in the communication addressed to the Senate by the vice chairman of the Tariff Commission comes in response to a

resolution asking information for the use of the Senate and of the incoming Chief Executive of the United States. I move that the material, when fully transmitted, be printed as a Senate document.

The motion was agreed to.

#### RECESS

Mr. McNARY. I move that the Senate take a recess until 11 o'clock a. m. to-morrow.

The motion was agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess until to-morrow, Thursday, February 23, 1933, at 11 o'clock a. m.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 22, 1933

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, who art over all and blessed forever more, whose majesty and glory move the lives of men, we wait at the altar of prayer and praise. In every national emergency Thou hast lifted up one to combat injustice and to confront the foes of the march of civilization. To-day may there burn in all hearts a diviner purpose and a purer flame of patriotism because of that peerless one whose dust sleeps on the shore line of the historic Potomac. The hearts of all loyal Americans are unspeakably grateful to him who refused to tolerate the enemies of free government and the unchangeable foes of human liberty. We praise Thee that he declared to the world that kings' scepters can not harmonize with free, democratic institutions. Grant that his name may resound about every hearthstone, in every school-house, and in every altar in all our land. The Lord God save our people and direct this Congress to the glory of Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the bill (H. R. 14363) entitled "An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HALE, Mr. KEYES, Mr. MOSES, Mr. McKELLAR, and Mr. HAYDEN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment a bill, joint resolution, and concurrent resolution of the House of the following titles:

H. R. 13534. An act authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated.

H. J. Res. 561. Joint resolution amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932.

H. Con. Res. 50. Concurrent resolution to authorize the printing of the first edition of the Congressional Directory of the first session of the Seventy-third Congress.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 256. Joint resolution authorizing the Comptroller of the Currency to exercise with respect to national bank-